KOUGA MUNICIPALITY

DRAFT 2018/19 ANNUAL REPORT

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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Foreword by the Executive Mayor

It is an honour to look back at the 2018/2019 financial year and reflect on the progress we have made towards building a Kouga that works for all its people.

Great strides were made to strengthen the daily operations of the municipality, expand bulk service infrastructure and improve the quality of life of all our communities.

We are also proud that we were able to empower 1 827 local residents economically by delivering the title deeds of their houses to them. The absolute joy that this programme brought to beneficiaries, some of whom have been waiting for their title deeds for more than 10 years, was a reminder of how big a difference we can make in people's everyday lives if we remain committed to our vision and provide "Good governance through Service Excellence".

Municipalities are mandated to deliver core services to its residents, namely, water, roads, electricity, sanitation, refuse removal and cleansing.

Good progress was made towards achieving water security for all communities, with the municipality securing R151,2 million in drought relief funding during the year under review. The grant has been used to drill boreholes, most notably at Hankey and Patensie where water rationing is in place, and to minimize water losses through the replacement of old pipes and leak repair. The connection of the boreholes will take place in the new financial year.

Road repairs also moved up a gear during 2018/2019. Almost 8 000 potholes were fixed while 32 roads and parking areas, totaling 140 977m², were resealed. As part of our search for innovative solutions to address the immense road backlog we inherited, Kouga further launched Africa's first eco-friendly road, incorporating waste plastic.

More than 200 households at Humansdorp received first-time access to electricity following the electrification of the Kruisfontein 391 housing project at Humansdorp. The electrification was done in two phases, with the first 154 houses having been electrified during the previous financial year.

The safety of communities was also boosted, with additional public lights being installed at high-risk areas. Highlights included the first solar public light at Stofwolk, Hankey, and the installation of the first five flood lights at Donkerhoek, Humansdorp.

The first LED lights were further installed at Humansdorp as part of Kouga's efforts to save energy and fight climate change.

The eradication of the bucket system was one of the municipality's priorities during the past financial year, with a tender for container ablution facilities being advertised and awarded. Six informal settlements have been prioritised for the programme, which will continue in the new year.

The multi-year upgrade of the Sea Vista Wastewater Treatment Works remained on track during 2018/19 and is due for completion in 2019/20. The upgrade will put in place the capacity required for government-subsidised housing developments and is expected to benefit at least 2 000 households.

The "Keep Kouga Clean" campaign gained momentum during the past year. The regional landfill site at Humansdorp was upgraded and drop-off zones were opened at Jeffreys Bay, St Francis Bay and Oyster Bay. An official recycler was appointed and recycling facilities established at all waste sites.

A highlight was the launch of the wheelie bin programme. The first 7 713 wheelie bins, set to replace black bags, were distributed to households at Hankey, Patensie, Loerie, Thornhill and Humansdorp. The programme is also set to continue in the new year.

In closing, I would like to thank all our councilors, municipal employees, citizens, stakeholder groups, business partners and sector departments for supporting our efforts to build an inclusive, resilient and united Kouga that works for all its people; a municipality that strives to leave no one behind.

As Henry Ford said: "Coming together is a beginning, staying together is progress, and working together is success."

CLLR. H. HENDRICKS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

<u>FOREWORD: MUNICIPAL MANAGER CHARL DU PLESSIS</u>

The Kouga Municipality Annual Report for 2018/19 financial year reflects a year where an improved financial performance was matched by an improved service delivery performance to all residents of Kouga Municipality. A very good collection rate in excess of 96% was maintained for the financial year exceeding the budget target of 94% collection rate.

The expenditure side of the Budget reflected the largest Capital Budget in the history of Kouga Municipality with R 151 million rand received from National Treasury during the financial year to implement the drought mitigation projects in Kouga Municipality. These drought mitigation projects have all been procured during the financial year and contractors and consulting engineers were appointed for all drought mitigation projects. The drought mitigation projects focused on replacing faulty water meters, finding and repairing leaks, replacement of old water pipes, drilling and equipping new boreholes and upgrading of water treatment works. Kouga Municipality managed to spend R 52 mil of the R 151 mil during the financial year and all projects are due to be completed during the 2019/20 financial year. We are confident that our roll-over application for the unspent part of the disaster drought relief projects will be approved by National Treasury.

Kouga Municipality Municipal Infrastructure Grant allocation was also fully spent with the focus on the St Francis Bay Wastewater Treatment bulk infrastructure which will be completed in the 2019/20 financial year. This investment will remove the bulk infrastructure stumbling block that will now allow for new RDP housing projects to be launched in Sea Vista.

RDP housing in Kouga Municipality delivered 391 housing units in Humansdorp while infrastructure construction commenced for 1500 units in Ocean View and 220 units in Pellsrus.

The emphasis placed on service delivery and dealing with customer complaints during the 2018/19 financial year lead to a record number of job order tickets issued and responded on through the call centre. These complaints relating to faulty streetlights, potholes, water leaks, blocked sewer lines etc. are monitored and directed from the Kouga Municipality Call Centre and the use of the municipal Link App.

During the financial year, all senior vacant positions were filled, and the municipality managed to recruit well qualified, skilled and experienced staff members to its staff complement. Of note the outsourcing of internal audit services was replaced by a full time in house, internal audit section comprising of 4 officials.

Corporate governance in Kouga Municipality has been functioning strongly with Council, the Mayoral Committee and the Port-Folio Committees, meeting regularly and doing oversight. MPAC had a full schedule of meetings and the Audit and Performance Audit Committee held its Quarterly Meetings during the Financial year. Performance Management was fully effective during the financial year and quarterly performance evaluation meetings were held with the senior management team.

Emphasis was placed on improving service delivery by focusing on incremental projects to improve the maintenance of infrastructure and equipment. The planned phase in of "Wheelie Bin" project started in the Gamtoos Valley towns and will be rolled out into all other areas of the municipality in the next two financial years. Streets were resealed in Hankey, Patensie, Humansdorp, Jeffreys Bay and Paradise Beach.

My appreciation goes out to my Senior Management team and staff members that have gone out of their way to deliver improved service delivery. I also would like to thank the Executive Mayor, Cllr. Horatio Hendricks and his Mayoral Committee for their support and commitment during this financial year.

Charl du Plessis

Municipal Manager

1.2 MUNICIPAL FUNCITONS, POPULATION AND ENVIRONMENTAL OVERVIEW

OUR VISION Kouga – Good Governance through Service Excellence.

OUR MISSION To create a better life for its people by providing effective and efficient service delivery, enabling the sustainable harnessing of its environmental assets, supported by inclusive governance and stakeholder participation, derived from the shared values of its people and its legislated mandate.

The Values underpinning our Vision and Mission are:

Honesty	Consistency
Transparency	Accessibility
Integrity	Equality
People-centered Accountability	Batho Pele
Professionalism	

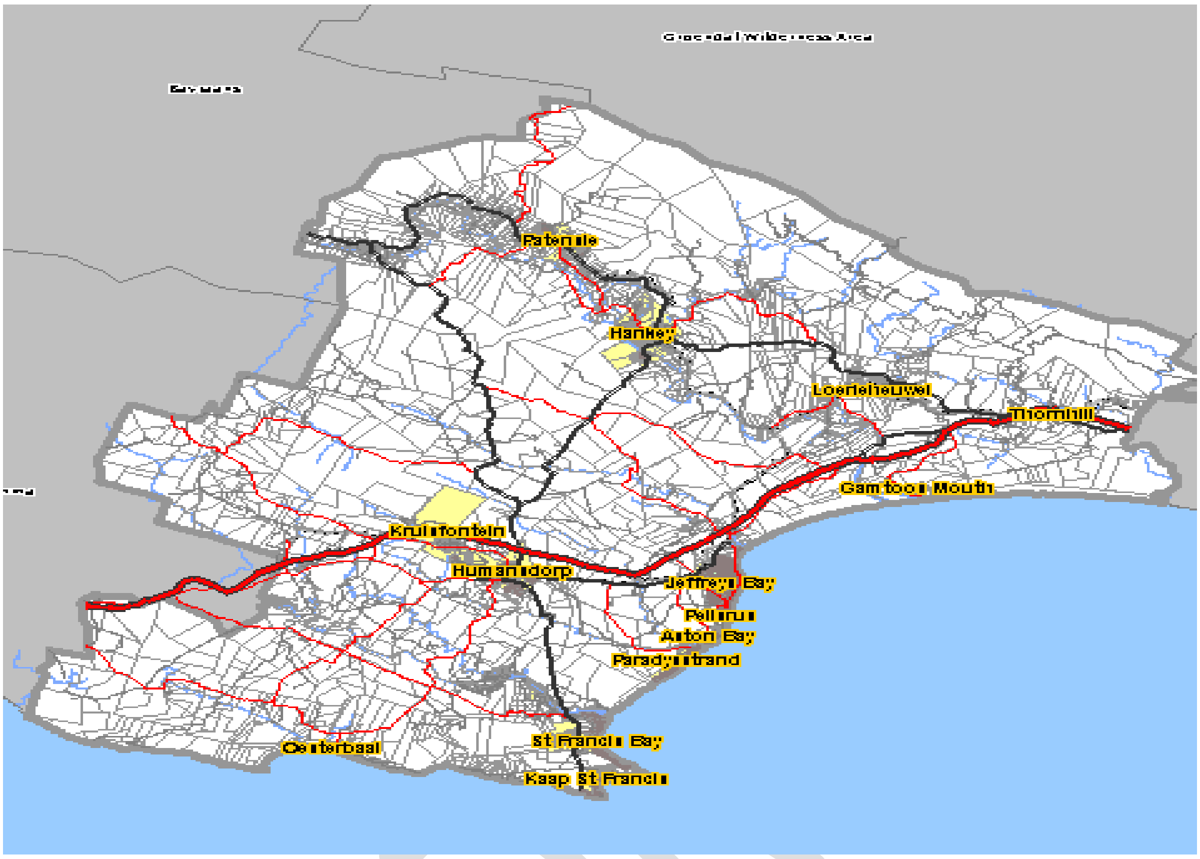
FUNCTIONS

In terms of Circular 8/2009: Capacity Assessments and Recommendations: Adjustment of Powers and Functions between District and Local Municipalities in terms of Section 85 of the Local Government: Municipal Structures Act 1998, the Kouga Municipality has the following powers and functions to fulfil:

POWERS AND FUNCTIONS	
Abattoirs	Air Pollution
Beaches and Amusement Facilities	Billboards and the Display of Advertisements in Public Places
Building Regulation	Cemeteries, Funeral Parlors and Crematoriums
Child Care Facilities	Control of Selling Liquor
Control of the Public Nuisances	Electricity Reticulation
Facilities for the Accommodation, Care and Burial of Animals	Fire Fighting
Health and Environmental Health Services	Licensing and Control of Food Sold to the Public
Local Amenities	Local Tourism and Economic Development
Local Sports Facilities	Markets
Municipal Airports	Municipal Planning
Public Transport	Sanitation
Storm Water	Trading Regulations
Water (Potable)	

POPULATION

Despite it being the second smallest region in the Sarah Baartman District, covering only 4,1% of the District's land area, Kouga is the most populous region in the district with a population of 112 941 (Community Survey 2016), representing approximately 22% of the total population of the district.



Kouga also has the fastest annual growth rate in the district. Since 1996, the population has increased at an average of 2, 4% per annum compared to the annual growth rate of 1,1% in the district and 0,3% in the province.

Kouga is characterized by vast differences in population density from one area to the next. These variations have an impact on the cost of service delivery while migration to the urban areas places additional pressure on the existing infrastructure of these high-density areas.

The influx of job seekers has also impacted negatively on employment figures. According to "Labor Force Survey Data" for 1995 to 2010 (Stats SA), employment in the region declined by 11,7% between 1995 and 2010 while the working age group increased by 25%. This means that 80,3% of the working age group had employment in 1995, compared to 56,8% in 2010

LOCATION

Kouga Local Municipality forms part of the Sarah Baartman District Municipality in the Eastern Cape Province of South Africa. It is situated west of Nelson Mandela Bay Municipality (Port Elizabeth, Uitenhage and Despatch) and covers a total land area of 2 418km².

The nine towns included in Kouga are Jeffreys Bay, Humansdorp, St Francis Bay, Cape St Francis, Oyster Bay, Patensie, Hankey, Loerie and Thornhill.

TOPOGRAPHY AND CLIMATE

Kouga is largely an urban area, with three main topographical regions. The coastal region stretches from the Van Stadens River in the east to the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast serves as a major tourism attraction.

The Gamtoos River Valley is characterized by wide, fertile flood plains associated with low-lying land. Steep and less-fertile slopes flank the Valley. The towns of Hankey, Patensie, Loerie and Thornhill are focal points of this high-potential agricultural region.

The Humansdorp area, including Kruisfontein, is characterized by moderate slopes in the south, with steeper slopes towards the north and northwest.

The four main rivers in the area - the Kromme, Seekoei, Kabeljauws and Gamtoos – are tidal rivers. Dams constructed above the tidal zone in the Kromme River and Gamtoos River are significant sources of water supply. Ground water is another major component of domestic water supply. Aquifers are also utilized in the agricultural sector for irrigation.

There are numerous areas of wetland adjacent to the region's rivers and on the coastal platform. These wetlands are extremely sensitive to disturbances such as agricultural activities and development. The wetlands accommodate high species diversity and fulfil natural water purification and flood retention roles.

The climate of the Kouga region is subtropical, which makes the area conducive to a range of outdoor activities and various types of agricultural production. Rainfall varies between 650 mm per year (St Francis Bay area) to 400 mm (Gamtoos River Valley). The area is generally described as windy.

ECONOMY

Kouga's total output / Gross Value Added (GVA), which is used to measure the value of production in a region, has shown erratic growth since 1996. "Regional Income and Production Data" for 1995 to 2010 (Stats SA) indicates that the economic sector of Kouga is dominated by secondary and tertiary activity.

In 2010 the leading industries were finance, insurance and real estate (FIR) at 33,3%, manufacturing (MAN) at 19,1% and general government (GG) at 14,2%. With its growth outpacing all other industries, FIR has since 1996 overtaken wholesale and retail trade, catering and accommodation (WRCA) as the largest contributor to GVA. WRCA's proportion to Kouga's output has plummeted from 21% in 1995 to 10,3% in 2010.

The contribution of the main primary sector – agriculture, forestry and fishing (AFF) – has also decreased from 11,8% in 1995 to 3,5% in 2010. However, manufacturing proportion saw an increase of 4,8% over the same period. Whilst the primary sector dominated employment up until 2005, the tertiary sector has since taken over this role.

According to the 2011 Census, Kouga Municipality is currently the fastest growing economy in the country. With the onset of several megaprojects in the area, there is phenomenal growth and influx of people into the area and this has a big impact on the economy. It also impacts on the services of the area as well. This has the positive effect of job creation and added business opportunities for Kouga. It is said that there is 3,22% growth rate in the population and Kouga is ranked 114th by population size in the country.

1.3 SERVICE DELIVERY OVERVIEW

Despite having a challenging year all Directorates improved their overall performance compared to the previous years and recorded significant successes as detailed hereunder:

Infrastructure and Engineering

- Electrification of 270 houses at Donkerhoek and Phase II of the 391 Kruisfontein housing project;
- Applied for and received Department of Energy grant funding for 237 houses, Kruisfontein 391;
- The Department of Energy R10.2 million grant funding project for infrastructure, Kruisfontein was successfully completed;
- Replaced and upgraded faulty transformer (500kva to 1000kva) at Oyster Bay;
- Replaced faulty 3150kva transformer at St Francis Bay main substation;
- Reserving a 66kv bay at Eskom Melkhout substation, Humansdorp;
- Replaced damaged 315kv transformer, St Francis Bay;
- Maintenance on 22 and 11kV switchgear and protection relays, Jeffreys Bay;
- Completed a 22kv ring-feed for St Francis Bay Industrial area.
- Secured R4 million from the Department of Energy for the replacement of streetlights with LED lights.
- Commissioning of the Kruisfontein wastewater treatment works.
- Completion of the Kruisfontein outfall sewer Phase 2
- Procurement completed for the purchase of mobile ablution facilities.
- Drought relief funding received to the amount of R151,228,000.00
- Repair and reseal of roads to the value of R 8,904,000 excluding VAT
- Applied and received approval MIG for planning phase to provide waterborne sewer to Old Hankey and town.
- Surfacing of Blackberry link road with Dogwood road Jeffreys Bay
- Upgrading of Booyce and Jacobs Streets in Arcadia Humansdorp
- Upgrading of entrance to Maak n Las Humansdorp.
- Grading and re-gravelling of roads throughout the Kouga area was undertaken.
- Applied for and received WSIG funding for 2019/2020 upgrade of Kwanomzamo Wastewater treatment works.
- Commence with sewer master plan for Jeffreys Bay.
- Implement Water Conservation and Demand Management initiative under the drought relief funding.

- Commence with groundwater exploration under the drought relief funding project.
- Commence with pipe replacement program in Hankey and Oyster Bay under the drought relief funding project.

<u>Corporate Services</u>

Administration

- The Service Delivery Call Centre was established to attend to service deliver issues and requests.
- Committee services was restructured to create greater efficiency and segregation of duties.
- A system of Implementation of Council Resolutions and actioning thereof was created.
- Schedule of Meetings/Annual Calendar of Mayoral Committee, Portfolio and Council meetings was created to establish a consistent rhythm.
- Implemented a New PABX system.
- Reports on Telephone usage, call centre activity and PABX system was created to allow Council to exercise greater oversight.
- A new vehicle was procured for Corporate Services.
- Several ward offices were renovated.
- Outcomes of ward committee meetings are documented and referred to user departments for actioning.
- Various office renovations were undertaken thus improving the working environment in compliance with the Occupational Health and Safety Act.
- Considerable progress made with Ward Development Fund procurement.
- Acquired laptops and data for all Councilors.
- New Tools of Trade for Councilors Policy was approved by Council.
- Substantial progress made with the long outstanding acquisition of phones and Internet for Ward Offices and Libraries in Hankey and Patensie.
- Phones and Internet for Satellite Fire stations were finalized.
- Appointment of Call Centre Supervisor and 4 additional Call Centre Operators was finalized.
- Security Camera was installed in the Call Centre.
- Realized considerable reduction on the Telkom landline bill with the implementation of the new PABX system.
- Introduced reporting on legal matters.

Human Resources

- Achieved a clean audit in HR with no queries being raised for 2017/2018 Financial year.
- Received a 2nd concurrent Letter of Good Standing from the Department of Labour, for the 2019 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of January 2019.
- Submitted a credible Workplace Skills Plan to LGSETA on the 30th of April 2019.

- Appointed a service provider to implement the Municipal Finance Management training in March 2019, which includes supervisory training for all levels of supervisory staff.
- Appointed service providers in May 2019 to render Excel, Ward Committee, Roads Construction and Supervisory training.
- Rolled out 4 water learnerships for the Water and Sanitation. Staff are also attending such learnerships, which includes 52 employees in the I&E department.
- Spent more than R 1.2 million on training which is 87% of the allocated training budget.
- Rolled out the CETA apprenticeship programme for 32 unemployed youth and 10 employed in Electrical and Plumbing apprentice ships.
- 11 new Human Resource policies were approved by Council on the 30th of October 2018.
- All staff were workshopped on all new policies.
- Long outstanding dispute of SAMWU OBO 75 resolved.
- Approved a new and compliant Employment Equity Plan from the 1st of July 2018.
- A new triplicate leave system was introduced on the 1st of October 2018.
- A new online recruitment system was implemented from the 1st of September 2018.
- A new application form was implemented from the 1st of September 2018.
- A comprehensive Health and Safety Risk Assessment was conducted for all high-risk areas.
- 315 Twin-rex injections were procured to cover high risk employees against Hepatitis A and B infections.
- 281 job descriptions were written. 160 Job descriptions has been signed off and loaded on the SALGA TASK job evaluation system.

Community Services

- Oyster Bay Dune Rehabilitation
- Artificial breach at Seekoei Estuary Mouth
- Fencing of Aston Bay Road to keep stray animals off the road and for the safety of residents and children crossing the road.
- Keep Kouga Clean Campaign implemented (launched in Sea Vista on 4 April 2019 and Jeffreys Bay on the 31 May 2019)
- Education and awareness campaigns conducted as well as supplying recycling bins for schools, all Council Offices, Libraries, Halls and Caravan Parks.
- Approved projects for 2018 – 2021 by the Department of Environmental Affairs (Working for the Coast R12.3 Million, Oyster Bay R10 Million, St Francis Bay R10 Million)
- 10 248 x 240litre Wheelie Bins acquired and rolled out to Hankey, Patensie, Loerie, Thornhill and Humansdorp areas
- Appointment of a recycling service provider to make sure that 60% of waste disposal must be recycled as per the Waste Management Act.
- 2 x Bakkies and 1 x Sedan were acquired for Safety and Security Services
- Contractual appointment of 4 x filing clerks for Safety and Security Services to sort the filing backlog that has piled up for more than 2 years.
- Installation of CCTV Cameras (Jeffreys Bay Caravan Park, Main building Jeffreys Bay) and Monitors for the Main building Jeffreys Bay

- Alarm System for 10 Community Halls and Kruisfontein Sport field to minimize vandalism.
- Pellsrus Sports Field upgrading in progress, project started on the 26 March 2019 through Municipal Infrastructure Grant funding.
- Public ablution facilities along the coast were repaired and upgraded;
- The facilities at Pellsrus, Yellowwoods and Jeffreys Bay caravan parks were repaired and upgraded, works included diamond mesh fencing and installation of safety gates
- Appointment of 7 x Sport and Recreation caretakers and appointment of 18 Machine operators
- Upgrading of Aston Bay Community hall and repairs to Patensie and Loerie community halls.
- Official handover of the Sea Vista Library: 13 February 2019 and official opening on the 16 April 2019.
- The building of ablution facilities at the Weston Library
- Training of Youth within Kouga on life saving to be professional lifeguards
- Refurbishment of Fire Fighting Vehicle
- Acquisition of bush fire fighting vehicle for the Jeffreys bay area - Nissan Patrol 4x4
- Adopt an entrance campaign through Public Private Partnership

CHAPTER 2: GOVERNANCE

Political leaders and the heads of administration have a key leadership responsibility, and in a local government context, are accountable for ensuring good governance in their municipalities. Some of the foremost principles of good governance are the key pillars for Municipal compliance: -

Accountability: Accountability is a fundamental requirement of good governance. A municipality has an obligation to report, explain and be answerable to the communities it serves and for the decisions it makes.

Transparency: People should be able to follow and understand the decision-making process. This means that they should be able to clearly see how and why a decision was made; what information, advice and consultation council considered, what consequences were considered and which legislative requirements (where applicable) council followed in arriving at its decision.

Rule of Law: This means that decisions are consistent with relevant legislation and are within the powers of Council. A responsive Local government should always try to serve the needs of the entire community whilst balancing competing interests in a timely, appropriate and responsive manner.

Equity and inclusiveness: A community's wellbeing results from all its members feeling their interests have been considered by council in the decision-making process. This means that all groups, particularly the most vulnerable communities, must have opportunities to participate in the process and should be consulted on their needs.

Effectiveness and Efficiency: Local government should implement decisions and follow processes that make the best use of the available human and financial resources, as well as time to ensure the best possible results for their community.

Participation: Anyone affected by or interested in a decision, should have the opportunity to participate in the decision-making process. This can happen in several ways; community members may be provided with information, asked for their opinion, given the opportunity to make recommendations or, in some cases, be part of the actual decision-making process.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Kouga is a Category C Local Municipality with an Executive Mayoral System where powers are vested in the Mayor elected by the Council. The Mayor may appoint a committee to whom he/she may delegate certain responsibilities.

The Council consists of 29 Councillors made up as follows:

17 Democratic Alliance Councillors (3 Female, 7 Ward, 10 PR)

12 African National Congress Councillors (3 Female, 8 Ward, 4 PR)

HEAD OF COUNCIL				
1	Horatio Mario	Hendricks	DA	Executive Mayor
2	Chris Hattingh	Bornman	DA	Speaker
MAYORAL COMMITTEE				
1	Bryan	Dhludhlu	DA	**Portfolio Council:** Corporate Services
2	Frederick Jacobus	Campher	DA	**Portfolio Council:** Infrastructure & Engineering
3	Daniel	Benson	DA	**Portfolio Council:** Community Services
4	Brenton John	Williams	DA	**Portfolio Council:** Finance
5	Frances	Baxter	DA	**Portfolio Council:** Local Economic Development & Tourism
6	Benjamin Fredeman	Rheeder	DA	**Portfolio Council:** Planning & Development
PR COUNCILLORS				
1	Frances	Baxter	DA	PR Cllr
2	Brenton John	Williams	DA	PR Cllr
3	Daniel	Benson	DA	PR Cllr
4	Nicolaas Stephanus	Botha	DA	PR Cllr
5	Robin	Jantjies	DA	PR Cllr
6	Francois Johannes	Louw	DA	PR Cllr
7	Timothy	Jantjes	DA	PR Cllr
8	Cynthia	August	DA	PR Cllr

9	Down Mnyamezeli	Nkomo	DA	PR Cllr
10	Bryan	Dhludhlu	DA	PR Cllr
11	Malibongwe Emmanuel	Dayimani	ANC	PR Cllr
12	Phumzile Joseph	Oliphant	ANC	PR Cllr
13	Cynthia Nomathamsanqa	Matroos	ANC	PR Cllr
14	Phumza	Nkwalase	ANC	PR Cllr
WARD COUNCILLORS				
1	Julius Zolani	Mayoni	ANC	Ward 1
2	Timothy Ncedile	Meleni	ANC	Ward 2
3	Willem Petrus Dormehl	Gertenbach	DA	Ward 3
4	Frederick Jacobus	Campher	DA	Ward 4
5	Wilma	Coenraad	DA	Ward 5
6	Velile Solomon	Vumazonke	ANC	Ward 6
7	Eldridge Reginald	Februarie	ANC	Ward 7
8	Ludwig	Vorster	DA	Ward 8
9	Sibongile	Jujwana	ANC	Ward 9
10	Amos	Mabukane	ANC	Ward 10
11	Chris Hattingh	Bornman	DA	Ward 11
12	Benjamin Fredeman	Rheeder	DA	Ward 12
13	Margreth	Peters	ANC	Ward 13
14	Cynthia Sindiswa	Mandeka (Makasi)	ANC	Ward 14
15	Horatio Mario	Hendricks	DA	Ward 15

The Council established several Committees to enable it to deliver on its constitutional mandate.

Section 80 Committees

The following Portfolio Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Mayor and the Mayoral Committee: -

a) Community Services Portfolio Committee

b) Infrastructure and Engineering Portfolio Committee

c) Finance Portfolio Committee

d) Corporate Services Portfolio Committee

e) Planning, Development Portfolio

f) Local Economic Development and Tourism Portfolio Committee

Each of the Support Committees deliberates on matters that fall within its specific terms of reference and makes recommendations to the Mayoral Committee for final approval by the full Council where necessary.

The Mayoral Committee has wide ranging delegations except for the powers provided to Council in terms of Section 160 (2) of the Constitution of the Republic of South Africa, 1996. The following functions may not be delegated by a Municipal Council:

1. The passing of by-laws;

2. The approval of budgets;
3. The imposition of rates and other taxes, levies and duties; and
4. The raising of loans.

The Mayoral Committee makes recommendations for approval by Council on such matters.

Section 79 Committees

In addition, Council has established the following Committee in terms of Section 79 of the Municipal Structures Act:-

a) Municipal Public Accounts Committee

The Municipal Public Accounts Committee which is made up of non-executive Councillors ensures that the Administration is held accountable for the management of municipal funds and assets, and to ensure the efficient and effective utilization of council resources. The Committee also considers the Annual Report and makes recommendations to Council on the Annual Report by submission of an Oversight Report. The Committee's Oversight Report is published separately in accordance with the Municipal Finance Management Act.

Statutory Committees

Administrative Committees

Council has also established administrative committees as follows: -

a) Audit/Performance Audit Committee

b) Bid Specification Committee

c) Bid Evaluation Committee

d) Bid Adjudication Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act. It is an independent external committee, which provides an oversight, compliance and advisory function.

The Municipal Supply Chain Management Regulations requires a committee system for competitive bids, consisting of a Bid Specification, a Bid Evaluation and a Bid Adjudication Committee.

The Bid Specification Committee compiles the specifications for all goods or services procured by the municipality.

The Bid Evaluation Committee evaluates bids in accordance with the specifications for a specific procurement, and the points system set out in the SCM (Supply Chain Management) Policy and Regulations and as prescribed in terms of the Preferential Procurement Policy Framework Act.

The Bid Adjudication Committee considers reports and recommendations of the bid evaluation committee and makes a recommendation to the Accounting Officer to make the final award; or makes another recommendation to the Accounting Officer on how to proceed with the relevant procurement.

2.2 ADMINISTRATIVE GOVERNANCE

Charl Du Plessis
Municipal Manager

Colleen Dreyer: *Manager IDP*

Nomvula Machelesi
Director Community Services

Krishen Moodley
Director Corporate Services

Selwyn Thys
Chief Financial Officer

Victor Felton
Director Infrastructure and Engineering

Fezeka Mabusela
Director Planning, Development and Tourism

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the MFMA section 60(b), the Municipal Manager of a municipality is the accounting officer and must provide guidance on compliance with this Act to political structures, political office bearers, and officials of the municipality.

As head of administration, the Municipal Manager ensures that the municipality is managed in accordance with all legislation applicable to local government. He undertakes various administrative responsibilities in relation to Council such as advising the political structures and political office bearers of the municipality; managing the communications between the municipality's administration and its political structures and office bearers; and carrying out the decisions of the political structures and political office bearers of the municipality. In addition, he has human resources related responsibilities to ensure that the municipality has the requisite human resources that are functioning at an optimal level to enable it to deliver on its mandate.

As the accounting officer, the Municipal Manager is responsible for general management of municipal finances, including asset and liability management, revenue and expenditure management and budget implementation. In his role as accounting officer, he must also assist the Mayor in performing the budgetary functions assigned to the Mayor in terms of Chapters 4 and 7; and provide the Mayor with the administrative support, resources and information necessary for the performance of those functions.

There are five Directorates which report to the Municipal Manager. Each Directorate is responsible for a Service Cluster (Key Performance Area) with some overlapping responsibilities:

Community Services	Basic Service Delivery
Corporate Services	Good Governance and Public Participation Institutional Development and Transformation
Planning, Development & Tourism	Town Planning, Spatial Development, Local Economic Development and Tourism
Infrastructure & Engineering	Infrastructure and Basic Service Delivery
Financial Services	Financial Viability and Management

The organogram was reviewed and approved by Council in August 2018. The primary objective of the review was to create functional alignment and give effect to Council's vision, mission and strategy.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

The Kouga Intergovernmental Relations Forum (IGR) consists of representatives from the Kouga Municipality, Sarah Baartman District Municipality, sector departments, parastatals and government agencies. The Forum is chaired by the Mayor.

The purpose of the forum is to:

- Consider and coordinate service-delivery continuity measures
- Provide a forum for sharing best practices and learning
- Facilitate communication on, and formulating joint responses to provincial and district policy and legislative processes
- Consider any other matters referred to it by either the municipality or sector departments
- Promote inter-sectoral dialogue and mediation in case of disputes between the municipality and other structures

- Ensure that there are coordinated programmes of implementation and the necessary structures with regard to such issues as, but not limited to, rural development, urban renewal, safety and security, local economic development, infrastructure development, HIV/Aids and special programmes
- Promote and enhance the principles of integrated governance at local level by strengthening cooperation between municipalities, sector departments and any other relevant stakeholders.

Kouga Municipality continued to build on its relationship with sector departments during the year under review. Several multimillion-rand bulk infrastructure projects were successfully implemented together with sector partners such as the Eastern Cape Department of Human Settlements and the Department of Water and Sanitation.

The municipality was also an active participant in intergovernmental structures such as the Municipal Managers Forum, driven by the Eastern Cape Government. Sector departments further participated in the review of the Integrated Development Plan (IDP) through structures such as the IDP Representative Forum.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Kouga engaged with communities at commemorative events, public hearings, workshops, project launches and meetings during the 2018/19 period as reflected hereunder.

Date	Event	Venue/Area
28/06/2018	National Land Transport Amendment Bill	Kruisfontein/Humansdorp
18/07/2018	International Day, Mandala day	Kwanomzamo/Humansdorp
30/08/2019	National Health Laboratory Services Amendment Bill	Newton Hall/Jeffreys Bay
21/09/2018	Protection, Promotion, Development And Management Of Indigenous Knowledge Bill	Vusumzi Landu Hall/Hankey

04/10/2018	Ward councilors Meeting	Jeffreys Bay Council Chamber
14/10/2018	Prayer Session for Matriculants	Kruisfontein/Humansdorp
01/11/2018	District Preparatory Meeting for Summer Initiation Season	Sarah Baartmant Distrcict/Port Elizabeth
29/11/2018	Moral Regeneration Movement and Umhlobo Wenene Broadcasting Live: Lelika Yehova Ihlabathi Nenzaliseko Yalo Programme	Methodist Church/Humansdorp
31/01/2019	Public Meeting For Aston Bay Road	Toykwo Sexwale/Jeffreys Bay
12/02/2019	Evaluation Of Summer Season And Preparing the Welcoming Ceremony	Department Of Education Offices/Humansdorp
21/02/2019	Welcoming Ceremony: Young Boys/Amarhwala	Methodist Church/Humansdorp
27/02/2019	Voter Education Programme	Jeffreys Bay and Weston
13/03/2019	Public meeting For Housing Project: Stolfwolk	Vusumzi Landu Hall/Hankey
20/05/2019	Visit by The House of Traditional Affairs	Humansdorp

2.5 COMMUNICATION: WEB-SITE

The municipal website, www.kouga.gov.za is one of the most important communication tools available to the municipality. It is updated regularly and used to disseminate a wide variety of information to the public and other interested parties.

This information includes reports and documents which municipalities are legally required to make public such as the Integrated Development Plan (IDP) and the Medium-Term Revenue and Expenditure Framework (MTREF), as well as quarterly and monthly finance reports which are compiled and published in accordance with the Municipal Finance Management Act (MFMA) and Division of Revenue Act (DORA).

Tender advertisements, notices and vacancies are also published on the website to ensure as wide a reach as possible. Other information placed on the website includes municipal contact numbers and media releases. Application and registration forms can also be downloaded from the website.

The following documents must appear on the website after being approved:

- Annual Report
- Oversight Report
- Audited Financial Statements
- Integrated Development Plan
- Service Delivery Budget Implementation Plan
- Employment Equity Plan
- Performance Agreements of s57 and s56 managers
- List of disposed assets
- Supply Chain Contracts
- Long -term borrowing contracts
- Public Private Partnership Agreements
- Service Delivery Agreements
- Section 52 (d) reports for the 4th quarter

There is also a special section for ratepayers where they can register to view their accounts and property information online.

2.6 PUBLIC SATISFACTION

The 8th annual Customer Satisfaction Survey was conducted in the last quarter of the 2018/2019 financial year.

The survey is viewed as a public participation tool which helps the municipality to get a sense of how the community measures the performance of the municipality in relation to its core mandate of service delivery. The survey is a platform for residents to air their views without the pressures of time or audience. Participants are also not required to identify themselves and this allows those wishing to remain anonymous to be granted that status.

The survey was conducted in all three of Kouga's main spoken languages, ie, English, Afrikaans and IsiXhosa. The study was conducted using survey forms distributed to the public for completion. The forms were divided into three categories with sub-sections and a scoring method provided on each form.

Examples

CATEGORY	SUB SECTION
SERVICE EXPERIENCE	Customer Care (Telephone skills, reception area, accessibility of offices, staff capacity to deal with challenges, cleanliness of our work environment/offices etc.)
SERVICE DELIVERY	• Water • Electricity • Sanitation • Roads and Storm water • Refuse Removal • Parks and Open Spaces • Halls and Sports Fields • Fire and Emergency Services • By-law enforcement and traffic • Rates and Accounts
GOOD GOVERNANCE	• Ward Committees • Access to Information • Council Meetings • Administration • IDP and Performance Management

The scoring method to express satisfaction was as follows:

1 = Extremely Poor; 2 = Poor; 3 = Satisfactory; 4 = Good; 5 = Excellent

Survey forms were distributed through ward councilors and their ward committees. Residents could also download electronic versions of the form from our website. The campaign was publicized in our community newspapers, our website and Facebook page.

The results are currently being finalized and will be included in the final Annual Report.

2.7 IDP PARTICIPATION AND ALIGNMENT

A 5-year Integrated Development Plan for the period 2017-2022 (2018/19 review period)

The 3rd generation IDP cycle ended during the 2016/17 review. Section 25 of the Local Government: Municipal Systems Act (2000) prescribes that a municipal council, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.

The newly elected Council was established in 2016 during the last review period and started with the new IDP during the for 2017/18 financial year during 2017. The new cycle is the 4th generation IDP which paves the strategic plan for the period 2017/2022.

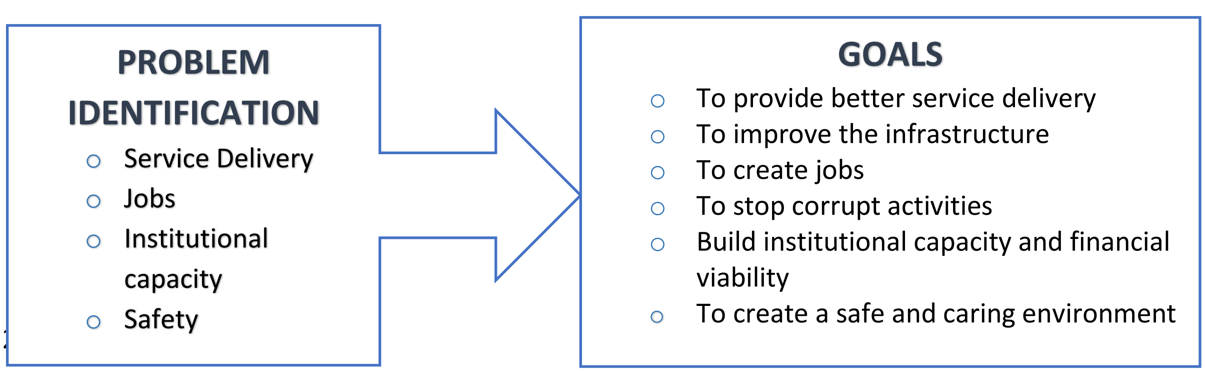
Strategic Direction for 2017/2022:

The municipality started with the development of the IDP by adopting a process plan for the 2018/19 period which sets out the process of the IDP until the final adoption.

The 1st phase of the IDP, situational analysis was done to provide the status quo information of the municipality, demographics, socio-economic trends, service delivery trends, economic analysis and environmental aspects.

The municipality has during this phase developed new focus areas (development priorities), objectives and strategies to improve service delivery, community upliftment (socially and economically), and to build a strong institution with the appropriate skills and resources.

The Council has identified the following goals for the next five (5) years:



A strategic planning session was held during November 2018 to develop new strategies for the 5-year plan. The desired outcomes and develop objectives for the 2018/19 were as follows:

- To promote access for all citizens to equitable, appropriate and sustainable infrastructure;
- To provide equitable, appropriate and sustainable basic services to all citizens;
- To ensure proper spatial planning and transportation planning for mega projects and human settlements;
- To create an enabling environment for economic growth that attracts investors and tourists, encourages innovation and facilities pro-poor inventions;
- To ensure a municipality that is committed to prudent management of public funds, good governance, financial viability that accommodates diversity in service delivery;
- To develop progressive strategies to optimize the use of available human resources;
- To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry;

Alignment with Sector Departments

Regular meetings with the District Municipality where held namely the District Consultative Forum as well as the two District IDP Representative Forum meetings. The inputs from the sector departments were obtained during the Project Phase of the IDP as well as from inputs from the District IDP Representative Forum. Two Local IDP Representative Forum Meetings were held during the review period. The interaction with the sector departments remain crucial to fully integrate and align programmes within the Province.

Local Community Participation

Stakeholder Consultation

Kouga Local Municipality places a high premium on inclusivity and subsequently the involvement and participation of all relevant stakeholders forms an essential component of the IDP Process.

The Public Participation Process for the 2017/2022 IDP was based on full-scale public meetings in all 15 wards. The purpose of this initial round of public participation was:

- To discuss the process to be followed for the 2017/2022 IDP;
- To consult the public on the content for the IDP especially ward based planning, through rigorous public participation meetings.

The socio-economic conditions and character of the towns and settlements are distinctly different, resulting in their expectations from the budget and service delivery priorities being diverse. This diversity and service delivery backlogs in some areas were duly considered in the IDP review.

The public participation process was characterized by active participation by all sectors of society and again highlighted the fact that the expectations from communities are very high in terms of service delivery, infrastructure development and other development challenges in comparison to the limited resources available to the municipality.

Effective partnerships with communities, other spheres of government and the private sector are essential to deliver on this expectation adequately. To conclude the public participation process, the draft IDP review was advertised for public comment for 30 days to allow any member of the public to provide final comments before it is being adopted by Council.

Two Rounds of public meetings were held in all 15 words with additional meetings in different towns due to its locality and demarcation.

Ward Based Planning

Successful ward-based planning workshops were held in Jeffreys Bay, Humansdorp and Hankey which were attended by all ward committee members. The inputs from the ward committees were presented to the wards to set ward priorities for consideration during the 1st draft of the IDP.

Credibility Assessment – Findings on the 2017/2022 IDP (Review period 2017/22)

The overall findings on the 2017/2022 final IDP of the Kouga Municipality can be summarized as follows:

- The municipality has tabled, adopted and submitted its 2017/2022 Integrated Development Plan for assessment.
- The municipality has conformed to the Council approved process plan.
- The municipality has conformed to the core components of the IDP as prescribed by Section 26 of the Municipal Systems Act (MSA) and was assessed covering the Key Performance Areas (KPA) as per guidance of 5-year Local Government Strategic Agenda.

KPA Ratings

An overview of the detailed assessment is set out below to provide the municipality with a synopsis of scoring:

Key Performance Area					
KPA 2 – Service Delivery	KPA 3 – Financial Viability	KPA 4 – Local Economic Development	KPA 5 – Good Governance	KPA 6 – Institutional Arrangements	Overall Ratings
Ratings					

High	Medium	High	High	High	High

The municipality has developed a legally compliant IDP, and it is noted with delight that the municipality has scored an overall HIGH rating.

IDP and Budget Alignment

The IDP and Budget was aligned after comments from the public and was incorporated in the final IDP. The following capital funded projects are listed:

Summary - Capital Budget 2018/19	ANNUAL BUDGET 2018/19	Funding
Executive and Council		
Computer Equipment (ward ass)	110 000	Internal
Wards Capital Programmes	750 000	Internal
	860 000	
Corporate Services		
Furniture and Office Equipment	752 000	Internal
Computer Equipment	157 000	Internal
Library upgrade (phase 2)	500 000	Internal
Main Office Building Upgrade	300 000	Internal
Computer Software (Legal Services)	100 000	Internal
HR System	500 000	Internal
	2 309 000	
Finance		
Furniture and Office Equipment	115 700	Internal
Computer Equipment	1 391 200	Internal
Machinery and Equipment	-	Internal
	1 506 900	
Infrastructure and Engineering		
Computer Equipment	35 000	Internal
Computer Equipment	50 000	MIG
Water infrastructure boreholes	1 500 000	Internal
Furniture and Office Equipment	198 000	Internal
Bucket Eradication Programme	2 300 000	Internal
Illegal electricity connections (LV Network)	1 000 000	Internal
Machinery and Equipment	415 000	Internal
MV Networks	8 869 565	INEP
New over headlines 66kv over-headlines (Jbay to Melkhout)	3 000 000	Internal
Jeffreys Bay- Northern Bulk main outfall sewer -area north of R102	1 200 000	Internal
Fencing: New x Loerie Sewer pump station	900 000	Internal
Fencing of Jeffreys Bay and Kruisfontein Reservoir	900 000	Internal

Summary - Capital Budget 2018/19	ANNUAL BUDGET 2018/19	Funding
Roads upgrade	2 500 000	Internal
upgrading of infrastructure for new township establishment	500 000	Internal
Vehicles	2 500 000	Internal
Upgrading of the Sea Vista Wastewater Treatment Works	18 503 132	MIG
Humansdorp - Upgrade Kruisfontein Waste Water Treatment Works	2 173 913	MIG
	46 544 610	
Planning, Development and Tourism		
Machinery and Equipment	30 000	Internal
Informal Traders - building	1 220 951	MIG
Furniture and Office Equipment	200 000	Internal
Computer Software	700 000	Internal
Computer Equipment	60 000	Internal
Land acquisition housing projects	1 000 000	Internal
Upgrading Kouga Cultural Centre	1 000 000	Internal
	4 210 951	
Community Services		
Fencing of existing cemeteries	500 000	Internal
Computer Equipment	160 000	Internal
Fencing - Fire Station	200 000	Internal
Furniture and Office Equipment	145 000	Internal
Upgrading of Sports Facilities	3 864 352	MIG
Machinery and Equipment	844 010	Internal
Life Guards Beach shelter	250 000	Internal
Fencing of caravan parks & camping sites	500 000	Internal
Security Cameras	150 000	Internal
Table and Chairs Community Facilities	100 000	Internal
Weston Library Upgrade	100 000	Internal
Wheelie bins	1 000 000	Internal
Vehicles	4 000 000	Internal
Fencing of Sport and Recreational Facilities	500 000	Internal
	12 313 362	
Total	**67 744 823**	

COMPONENT D: CORPORATE GOVERNANCE

DIRECTORATE: CORPORATE SERVICES

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance encompasses the structures and processes associated with management, decision-making and control in the municipality. Corporate governance is based on principles of conducting business with integrity and fairness, being transparent regarding all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The following four ethical values underpin good corporate governance:

(a) Responsibility: Council should assume responsibility for the assets and actions of the municipality and be willing to take corrective action to keep the municipality on a strategic path that is ethical and sustainable.

(b) Accountability: Council should be able to justify its decisions and actions to its stakeholders and communities.

© Fairness: Council should ensure that it considers the legitimate interests and expectations of its communities and stakeholders.

(d) Transparency: Council and Administration should disclose information in a manner that enables the AG and relevant bodies and communities to make an informed analysis of the municipality's performance and sustainability.

2.8 TARGETS AND ACHIEVEMENTS

ANNUAL TARGETS	TARGET	ACHIEVEMENT	PRIOR YEAR ACHIEVEMENT 2017/18	COMMENT
Imaging and storage of Records	Centralized Records Management	Appoint a Service provider	0	A tender for document imaging and storage was advertised but cancelled for reason that no responsive bids were received. The tender was re-advertised and is in the evaluation process.

ANNUAL TARGETS	TARGET	ACHIEVEMENT	PRIOR YEAR ACHIEVEMENT 2017/18	COMMENT
Phones and Internet	Provide all Ward offices and libraries with phones and Internet	All the Ward Offices and Libraries have access to phones and Internet	A small number of Ward offices and Libraries had phone and Internet access	Phones and Internet **were** installed at all the Ward offices and Libraries as part of the Municipality's Radio Network expansion project. The Project was completed at the end of April 2019.
Reduction of Telkom phone bill by R100 000.00 per month	Reduce the Telkom phone bill by R100,000 per month	The Telkom phone bill was reduced by an average of R107.000 per month	An average of R50 000 per month	The full functionality of the PABX system was utilized and Voice over IP lines were activated. Consequently, all internal Municipal Calls are free of charge and the cost of cellular calls has decreased dramatically. The Telkom lines have been cancelled, except for a few essential lines being used for internet Services. This constitutes an annual saving of R1 284 000.
Upskilling of Housekeeping staff	Upskill cleaning staff and re-deploy in vacancies within the Municipality	Two housekeeping staff members were upskilled	6	Eight House keepers who volunteered received Call Centre training and one candidate was appointed as a Call Centre Operator. Another was upskilled in security and was transferred to the Community Services department where she now works as a Security guard.
Acquire New copier/printers and related equipment	Acquire New copier/printers and related equipment for the entire organization and Ward offices	A Tender was awarded for the supply and installation of copier/printers and related equipment for the organization and the Ward offices	0	New copiers and related equipment were acquired for all the Municipal offices. Only a few of the Ward offices had copier facilities. During 2018-19 all the Ward offices received copier/printers. The lease cost of the previous copiers was R 234 000 per month. The lease cost of the new equipment was reduced to R 65 000 per month which

ANNUAL TARGETS	TARGET	ACHIEVEMENT	PRIOR YEAR ACHIEVEMENT 2017/18	COMMENT
				constitutes an annual saving of R2 028 000
Acquire new Cell phones	Acquire new cellphones and more cost-effective cellular packages for the Municipality	Telkom was appointed as the Cellular services provider for the Municipality	0	New cell phones were acquired for the applicable Municipal staff. All internal calls and all calls to Telkom landlines and cellular Networks are free. Each user also receives a free 100 minutes to other networks. The new cellular services enabled the Municipality to control cellular spending and improves service delivery. All the users at service delivery departments have installed the Link application used by the Call Centre and the latter dispatches service delivery issues to the applicable person via the Link application. The new Cellular packages constitutes a R20 000 saving per month and includes handsets whereas the previous cellular provider only provided sim cards
Provide new office space for the Human Resources Section	Convert the old Library into office space for the Human Resources department	Was completed in May 2019	0	As the old HR offices were very cramped and 2-3 people were sharing a small office, and the offices received a negative Health and Safety report, it was of the utmost importance to provide new office space for this section. An Architect and construction contractor were appointed on a Tender basis and the office space was completed at the end of May 2019.
Provide additional office space with electronic infrastructure for Municipal	Consolidate departments that was scattered in different buildings	Achieved	0	A building was rented in Woltemade St. Jeffreys Bay and communication infrastructure was provided. The Departments Infrastructure & Engineering,

ANNUAL TARGETS	TARGET	ACHIEVEMENT	PRIOR YEAR ACHIEVEMENT 2017/18	COMMENT
officials in Jeffreys Bay				Supply Chain and Town Planning, and Development and Tourism are currently housed in this building.
Call Centre (Complaints)	Expand the Call Centre functionality.	A Call Centre was established in October 2017. As of April 2019, the Call Centre handles service delivery account queries	0	As a result of the high volume of calls received by the Revenue department regarding account balance queries the necessary software was installed on the Call Centre system and the staff received training on the system. The public can now obtain account balances from the Call Centre.
Supply electronic equipment to Ward Offices	Provide copiers for all Ward offices	All Ward Offices were provided with printers	0	Previously only a few of the Ward offices were equipped with copiers/printers. All offices received this equipment and old equipment was replaced.

2.9 BY-LAWS AND POLICIES

The following policies and By-Laws were reviewed during the year under review:

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Standing Rules of Order	Approved: 18 September 2018	A02
2.	Policy and Procedures for the Disposal of Immovable Capital Assets	Approved: 25 April 2018	A06
3.	Public Participation Policy	Approved: 1 August 2017	A07
4.	Anti-Corruption and Fraud Prevention Policy	Approved: 1 August 2017	A09
5.	Policy on Legal Representation	To be reviewed	A10
6.	Policy on the Closure of Meetings and the Marking of Confidential Items	To be reviewed	A11
7.	Promotion to Access to Information Policy	To be reviewed	A13
8.	Records Management Policy	Adopted: 29 May 2015	A14
9.	Registry Manual	Draft	A16
10.	Policy on Municipal Honors	Approved: 1 August 2017	A17
11.	Policy on Ward Committees	Adopted: 29 May 2015	A18

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
12.	Policy of attendance of Workshops, Meetings and Conferences	To be reviewed	A19
13.	Catering Policy	To be reviewed	A20
14.	Communication Strategy	Draft	A21
15.	Language Policy	Draft	A22
16.	Service Delivery Standards Policy	Approved: 1 August 2017	
17.	Standard Operation on execution of Council resolutions	Approved: 1 August 2017	
18.	CCTV Policy	Approved: 31 May 2018	
19.	Environmental Health Bylaw	Approved: 1 August 2017	
20.	Occupational Health & Safety Policy	Approved: 30 October 2018	
21.	Policy on Spaza /House shops	Approved: 1 August 2017	
22.	Policy of Infrastructure, Procurement & Delivery Management	Approved: 1 August 2017	
23.	Events Policy	Approved: 30 May 2019	
24.	Grant in aid Policy	Approved: 31 May 2017	
25.	Policy in Regulations	Approved: 31 May 2018	
26.	Ward Development Fund Policy	Approved: 30 May 2019	
27.	Corporate Governance of ICT Charter	Approved: 29 March 2018	
28.	Customer Care, Credit Control & Debt Collection Bylaw	Approved: 30 August 2018	
29.	ICT Disaster Recovery Policy	Approved: 29 March 2018	
30.	ICT Risk Management Framework	Approved:29 March 2018	
31.	ICT Strategy	Approved:29 March 2018	
32	Indigent Support Policy	Approved: 29 March 2018	
33.	Supply Chain Management Policy	Approved: 29 March 2018	
34.	Electronic Mobile Devices Policy	Approved: 18 September 2018	

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
35.	Tools of Trade Policy for Councillors	Approved: 29 June 2018	
36.	Donations Policy	Approved: 26 July 2018	
37.	Delegations Framework	Approved: 30 August 2018	
38.	Mayoral Intervention Policy	Approved: 26 July 2018	
39.	Plot Clearing Policy	Approved: 11 December 2018	
40.	Wheelie Bin Policy	Approved: 30 April 2019	
41.	Childcare Facilities in Residential Areas	Approved: 11 December 2018	
42.	Kouga Telecommunications Mast	Approved: 11 December 2018	
43.	Overtime Policy	Approved: 30 October 2018	
44.	Recruitment and Selection Policy	Approved: 30 October 2018	
45.	Leave Management Policy	Approved: 30 October 2018	
46.	Absenteeism and Report Absence from Work Policy	Approved: 30 October 2018	
47.	Scarce Skills Policy	Approved: 30 October 2018	
48.	Subsistence and Travelling Policy	Approved: 30 October 2018	
49	Vehicle Allowance Policy	Approved: 30 October 2018	
50	Training Policy	Approved: 30 October 2018	
51.	Essential User Car Scheme Policy	Approved: 30 October 2018	
52.	Pauper & Social Burial Policy	Approved: 29 June 2018	

2.10 HUMAN RESOURCES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The primary objective of the Human Resource section is the creation of a high-performance organisation through its recruitment and staff development and learning programs. It also wishes to raise the bar in the provision of professional, consistent and sound personnel advisory and support services in employee benefits, Labour Relations, Occupational Health & Safety, Employment Equity and Skills Development.

The following was achieved by the Human Resource section for the 2018/2019 Financial Year:

- Achieved a clean audit in HR with no queries being raised for 2017/2018 Financial year.
- Received our 2nd consecutive Letter of Good Standing from Department of Labour, for the 2019 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of January 2019.
- Submitted a credible Workplace Skills Plan to the LGSETA on the 30th of April 2019.
- Appointed a service provider to implement the Municipal Finance Management (MFMP) training in March 2019, which includes supervisory training for all levels of supervisory staff.
- Appointed service providers in May 2019 to render Excel, Ward Committee, Roads Construction and Supervisory training.
- Rolled out 4 water learnerships for the Water and Sanitation staff, which is being attended by 52 employees in the I&E department.
- Spent more than R 1.2 million on training which is 87% of the allocated training budget.
- Rolled out the CETA apprenticeship programme for 32 unemployed youth and 10 Kouga employees in Electrical and Plumbing apprenticeship.
- 11 new Human Resource policies were approved by Council on the 30th of October 2018.
- All staff were workshopped on all new policies.
- Long outstanding disputes of SAMWU OBO 75 was resolved.
- Approved a new and compliant Employment Equity Plan from the 1st of July 2018.
- A new triplicate leave system was introduced on the 1st of October 2018.

- A new online recruitment system was implemented from the 1st of September 2018.
- A new application for employment form was implemented from the 1st of September 2018.
- A comprehensive Health and Safety Risk Assessment was conducted for all high-risk areas.
- 315 Twin-rex injections were procured to cover high risk employees against Hepatitis A and B infections.
- 281 job descriptions have been written.
- 160 Job descriptions have been signed off and loaded on the SALGA TASK Job Evaluation System.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Comparative Staff numbers as at 30 June is as follows:

CATERGORY	30 June 2018	30 June 2019
Permanent	867	918
Section 56/57	6	6
Contractual Employees	21	4
EPWP	28	0
Total	**922**	**928**

Comparative Pension/Provident Fund membership as at 30 June is as follows:

FUND	30 June 2018	30 June 2019
Consolidated retirement fund	413	453
Consolidated Retirement Fund (No CC)	4	4
National Fund for Municipal Workers	6	7
SA Local Authorities Pension Fund	8	8
Municipal Workers Retirement Fund	195	181
Momentum Provident Fund	205	198
Municipal Councillors Pension Fund	3	3
Consolidated Retirement Fund Cllrs	6	6
LA retirement fund	2	1
Total	**842**	**861**

Comparative Medical Aid membership as at 30 June is as follows:

MEDICAL AID	30 June 2018	30 June 2019

Bonitas	165	177
Key Health	19	17
Hosmed	79	69
LA Health	154	156
SAMWU Med	68	68
Total	**485**	**487**

It must be noted that participation in a medical scheme is not compulsory.

Comparative Trade Union membership as at 30 June is as follows:

TRADE UNION	30 June 2018	30 June 2019
SAMWU	501	617
IMATU	315	236

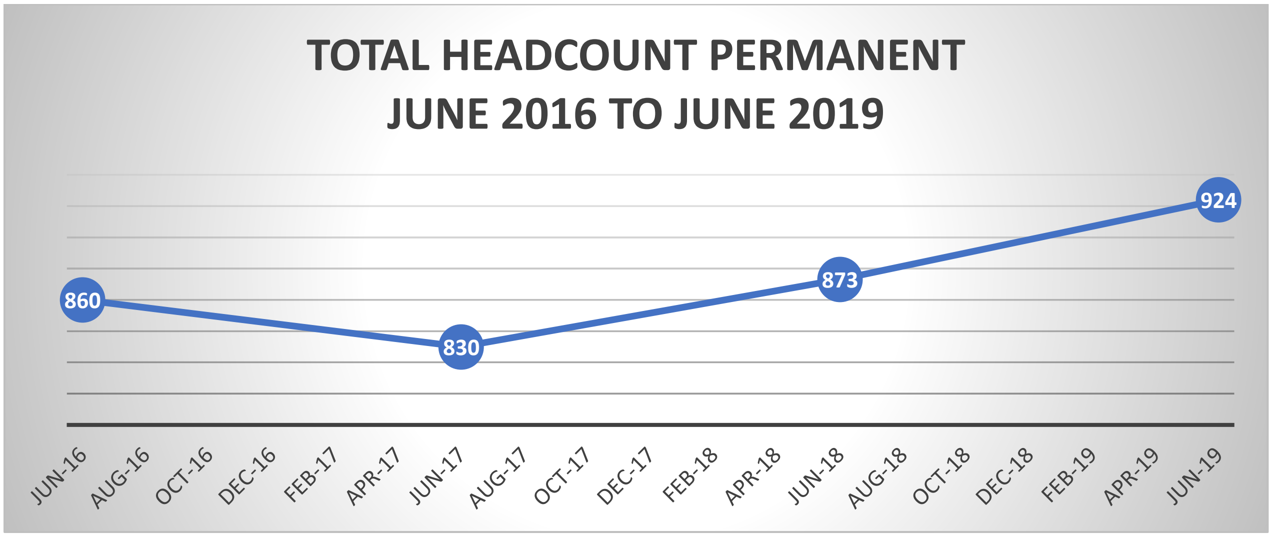
The table below presents a representation of the number of permanent employees since 2016, as well as temporary employees. The statistics show a marked increase in permanent employment and a substantial decrease in temporary employment numbers.

The main reason for this is to ensure compliance with section 198(B) of the Labour relations Act as amended.

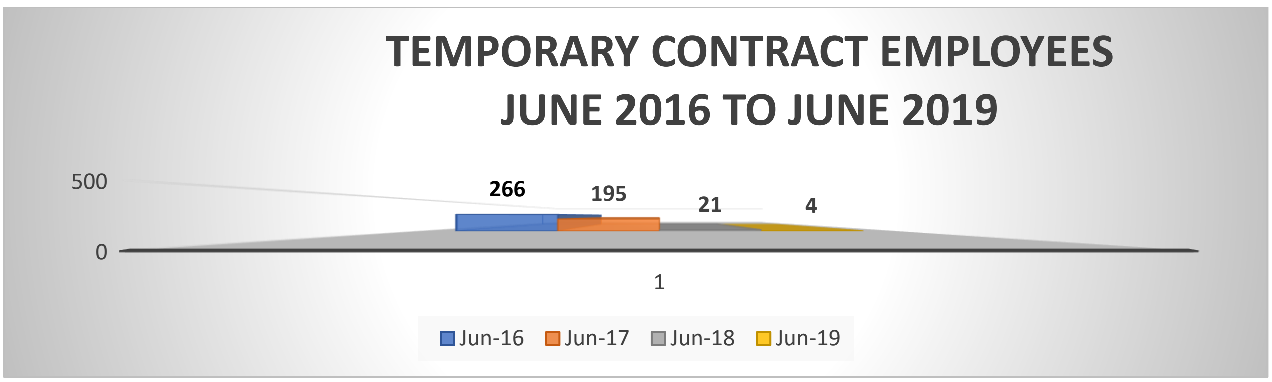
Number of Employees				
Category of employment	**June 2016**	**June 2017**	**June 2018**	**June 2019**
Permanent Employees (Including Section 56 & 57 employees)	**860**	**830**	**873**	**924**
Temporary contract employees	**266**	**195**	**21**	**4**

The table below presents a representation of percentage (%) of the number of permanent employees since 2016, as well as temporary employees. Temporary employees amounted to 24% of the staff component in 2016, whereas it is at 0.5% at the end of June 2019.

Percentage of total staff component- Temporary vs Permanent				
Category of employment	**June 2016**	**June 2017**	**June 2018**	**June 2019**
Permanent Employees (Including Section 56 & 57 employees)	**76%**	**81%**	**98%**	**99.5%**
Temporary contract employees	**24%**	**19%**	**2%**	**0.5%**



From the graph above there is a clear inidcation that permanent staff has stealdiy increased since 2016.



From the graph above it is clear the Municiplaity has made a concerted effort to comply with Section 198(B) of the Labour Relations Act as amended, as there are only 4 temporary employees in service versus 266 in June 2016.

Employment Equity

The graph and table below shows our current demographics against the Provincial EAP demographics. The percentage below is for both permanent and temporary staff.

It is important to note the underepresentation of African males & females. Much attention needs be given to increase the number of African males & females. It is however, pleasing to note the steady increase in the number of African Males & Females. There is a considerable overrepresentation of Coloured Males & Females and slight underrepresentation of Indian Males & Females and White Females. The overrepresentation of Coloured Males and Coloured Females must be considered in relation to the demographics of the Kouga area of jurisdiction. A sudden decrease of such numbers cannot be achieved in the short-term.

	Jun-18	Jun-19	REQUIRED PROVINCIAL EAP %
African Male %	33%	33,62%	**42,30%**
African Female %	16,22%	17,78%	**39,50%**
Coloured Male %	31,32%	29,31%	**5,60%**
Coloured Female %	12,75%	12,50%	**5,00%**
Indian Male %	0,00%	0,11%	**0,40%**
Indian Female %	0,11%	0,11%	**0,20%**
White Male %	4,03%	3,88%	**3,80%**
White Female %	2,57%	2,69%	**3,10%**

On the 15th of January 2019 the Municipality submitted its yearly Employment Equity report to the Department of Labour. This was done after extensive consultation with Organized Labour and Employees.

The table below indicates the progress that the Municipality has made in terms of numerical targets as set out in the Employment Equity plan.

The table depicts the status of the workforce profile at end of March 2018, the numerical targets that were set out in the Employment Equity plan, and the current profile as at June 2019. As per the table below, it's clear that significant strides have been made to appoint African Females, African Males, and Females in general.

	Male Race				**Female Race**				**Foreign Nationals**		
	A	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	
Top management											
MARCH 2018	0	0	0	1	0	0	0	0	0	0	**1**
SEPTEMBER 2019 TARGET	0	0	0	1	0	0	0	0	0	0	**1**
JUNE 2019	0	0	0	1	0	0	0	0	0	0	**1**
Senior management											
MARCH 2018	0	1	0	1	2	0	1	0	0	0	**5**
SEPTEMBER 2019 TARGET	0	1	0	1	2	0	1	0	0	0	**5**
JUNE 2019	0	1	0	1	2	0	1	0	0	0	**5**

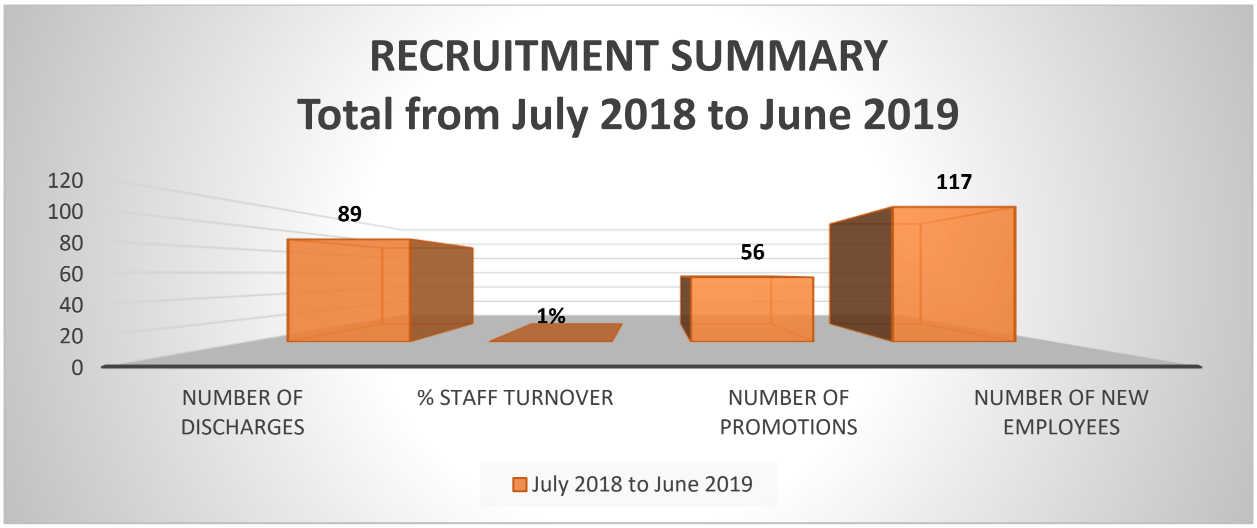
	Male Race				Female Race				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management											
MARCH 2018	2	6	0	10	2	3	0	2	0	0	**25**
SEPTEMBER 2019 TARGET	4	6	0	7	6	3	0	2	0	0	**28**
JUNE 2019	4	6	1	11	3	2	0	5	0	0	**32**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
MARCH 2018	32	68	0	14	29	23	0	16	0	0	**182**
SEPTEMBER 2019 TARGET	41	66	0	13	39	26	0	16	0	0	**201**
JUNE 2019	42	58	0	17	32	28	0	13	0	0	**190**
Semi-skilled and discretionary decision making											
MARCH 2018	134	125	0	7	33	35	0	3	0	0	**337**
SEPTEMBER 2019 TARGET	147	112	0	8	54	31	0	3	0	0	**355**
JUNE 2019	155	135	0	6	54	45	0	6	0	0	**401**
Unskilled and defined decision making											
MARCH 2018	101	83	0	0	61	47	0	1	0	0	**293**
SEPTEMBER 2019 TARGET	99	75	0	4	61	40	0	3	0	0	**282**
JUNE 2019	108	71	0	0	74	41	0	1	0	0	**295**

It is very pleasing to note from the table above, that the Municipality has made noteworthy progress to achieve the target of 4 African Males at middle management level. The Municipality has also increased its African female representation at middle management level to 3.

Staff with disabilities

In the 2016/2017, no staff with disabilities were listed in Kouga. However, since February 2018, the Municipality made a determined effort to enhance Employment Equity in the Municipality resulting in the identification of 11 staff with disabilities. The Municipality has endeavoured to clear any misperception of disabled employees by embarking on Roadshows which resulted in employees no longer fearing a disclosure of their disabled status.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICE OVERALL:



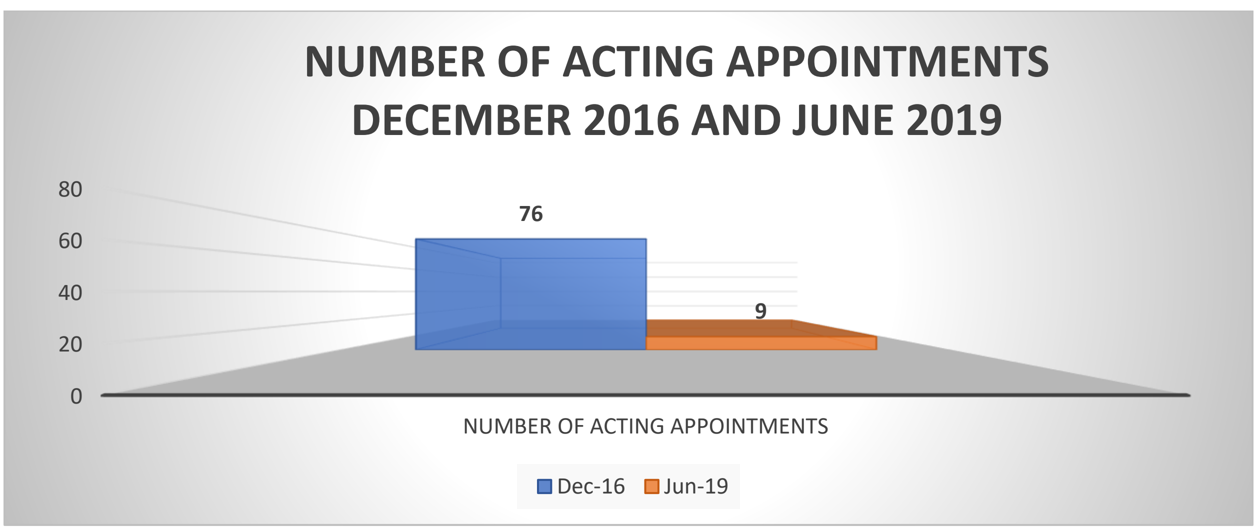
Human Resource Section Vacancy rate

Job Grade	Employees	Posts	Vacancies as % of total posts	Vacancies Full Time Equivalent
0-3	2	2	0%	0
4-6	0	0	0%	0
7-9	5	5	0%	0
10-12	9	10	5%	0
13-15	1	1	0%	0
16-18	0	0	0%	0
19-20	0	0	0%	0
Total	**17**	**18**	**5.%**	**0**

VACANCY RATE			
DESIGNATIONS	TOTAL APPROVED POSTS	VACANCIES (Total time that vacancies exist using fulltime equivalents) No.	VACANCIES (As a proportion of total posts in each category) %.
Municipal Manager	1	0	0%
CFO	1	0	0%

VACANCY RATE			
DESIGNATIONS	TOTAL APPROVED POSTS	VACANCIES (Total time that vacancies exist using fulltime equivalents) No.	VACANCIES (As a proportion of total posts in each category) %.
Other Section 56 Managers (excluding finance posts)	4	0	0%
Other Section 57 Managers (Finance posts)	0	0	0%
Law enforcement Officers	76	2	2.6%
Fire Fighters	51	1	1.9%
Senior Management Levels 14-17(excluding finance posts)	28	1	3.5%
Senior Management Levels 14-17 (Finance posts)	5	0	0%
Highly skilled supervision: levels 9-13 (excluding finance posts)	153	3	1.9%
Highly skilled supervision: Levels 9-13 (Finance posts	40	0	0%

The number of acting appointments also decreased drastically. In December 2016 there were 76 employees acting in higher positions. In June 2019 there are only 9 employees in acting positions.



Human Resource Survey

In an ongoing effort to improve the quality of service offering to its internal stakeholders, the Human Resource section conducted an online Human Resource survey for all employees to get a sense of the improvements that are needed in the Human Resource section. The Survey was conducted in December 2018, and again in June 2019 and the results are as follows:

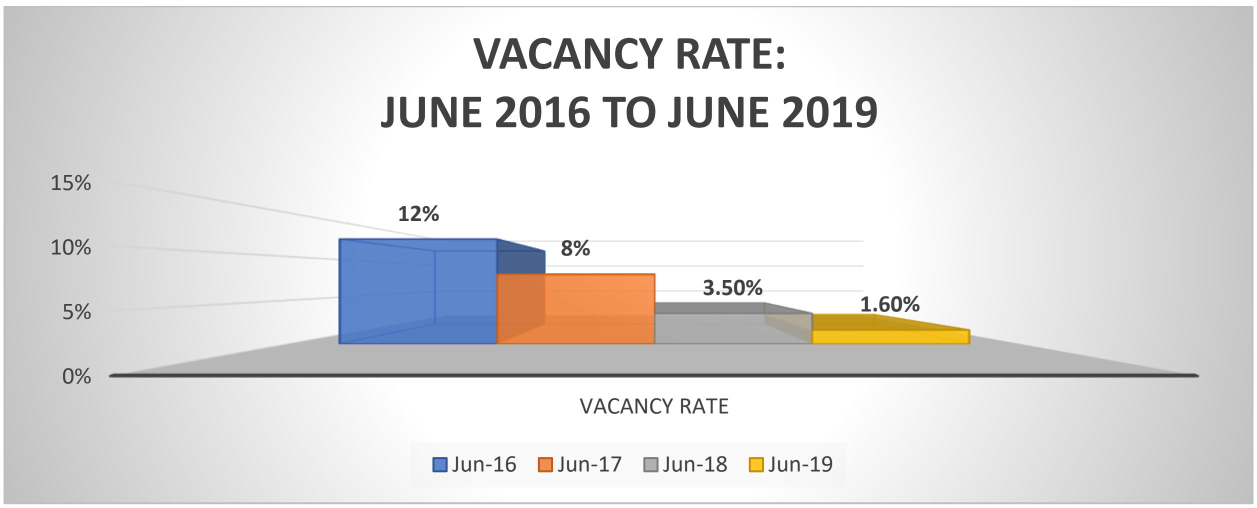
Question	**Weighted average (out of 5) December 2018**	**Weighted average (out of 5) June 2019**	**Change**
Q1 HR efficiently communicates changes in policies	4.06	4.07	Increase of 0.01
Q2- HR responds to my questions and inquires in a timely manner	3.97	3.99	Increase of 0.02
Q3 If a situation or question arises that I cannot answer I'm confident that the HR section will be able to assist	4.26	4.35	Increase of 0.06
Q4 The information that I have received about employee benefits is easy to understand	4.08	4.03	Decrease of 0.05
Q5 I am confident that all issues discussed with HR are kept confidential	3.68	3.84	Increase of 0.16
Q6 HR has a clear understanding of their customers' needs	3.68	3.90	Increase of 0.22
Q7 I am satisfied with the length of time it takes to fill vacant positions	3.66	3.44	Decrease of 0.22
Q8 I know whom to contact for specific HR questions	4.09	4.13	Increase of 0.04
Q9 HR is readily available to all employees	3.91	4.14	Increase of 0.23
Q10 The HR section works well as a team	3.94	4.02	Increase of 0.08
Total	**39.33 (78.66%)**	**39.91 (79.82%)**	**0.58 (1.16%)**

The overall December 2018 survey results was 78.66%, compared to the June 2019 survey results of 79.82%. The target is to reach 80% by the end of the 2019/20 financial year.

COMMENT ON VACANCIES AND TURNOVER:

The headcount of the Municipality is an indication of a fluctuating workforce, due to factors such as new appointments, resignations, retirements, and dismissals.

For the reporting year –1 July 2018 to 30 June 2019, 89 employees were discharged, 56 employees were promoted, 117 new employees were appointed, and the staff turnover was 1%. It must be noted that discharges include the expiry of seasonal contracts, and promotions include the permanent appointment of staff from temporary and contractual positions.



From the graph above, the vacancy rate was 12% in 2016, 8% in 2017, 3,5% in 2018, and down to 1,6% in June 2019. The vacancy rate drastically decreased year on year since 2016 indicative of HR's commitment to rapid recruitment processes and service delivery.

2.11 WORKFORCE CAPACITY DEVELOPMENT

The MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

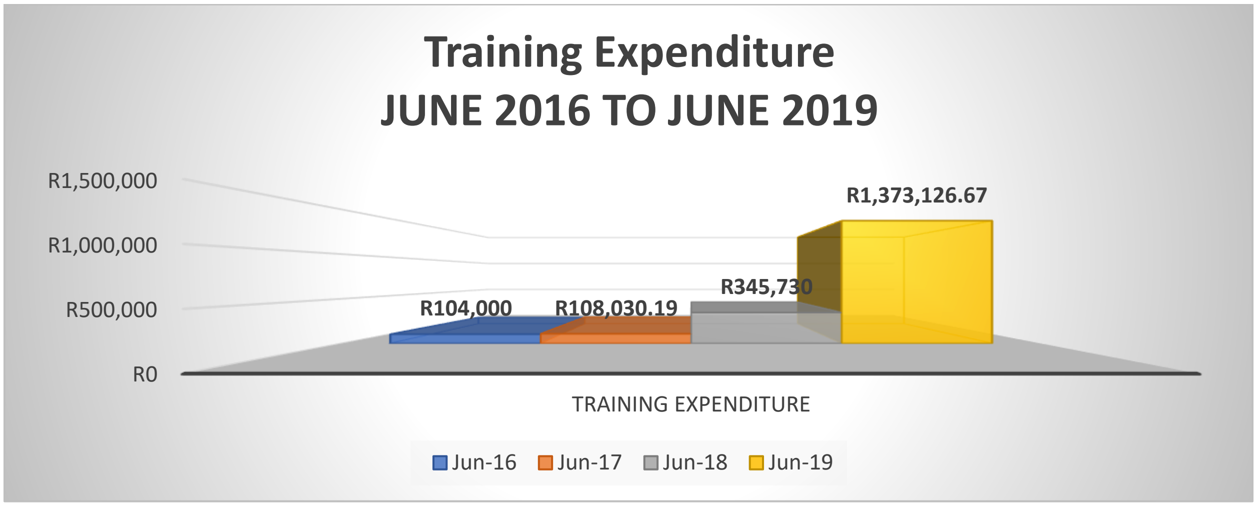
Kouga Municipality established a Skills Development Section which was intended to address the skills development needs of the Institution.

The Skills Development Section, despite various setbacks it experienced over the past two financial years, rallied back towards the latter part of the financial year and succeeded in implementing the Workplace Skills Plan for the respective period.

Skills Development needs are assessed annually and is based on the results of an employee skills audit. Training needs per position/incumbent are aligned to the audit and requirements as assessed by the various Directorates. The information is compiled in the form of an annual Workplace Skills Plan which guides and directs the implementation of skills development initiatives.

TRAINING COSTS	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Training Cost	R 9 660,00	R 0,00	R26 587,00	R 85 575,00	R 72 381,00	R 58 926,00	R0,00	R0,00	R148 872,75	R38 812,00	R328 117,95	R438 569,25
Associated costs	R 0,00	R 2 000,00	R0,00	R 0,00	R 0,00	R 0,00	R0,00	R0,00	R0.00	R75 780,00	R0.00	R87 845,72
Categories of Beneficiaries												
Legislators	10	0	0	0	1	0	0	0	0	0	0	0
Managers	34	0	5	0	24	0	0	0	3	0	3	3
Professionals	35	4	10	28	82	0	0	0	21	4	33	21
Technicians and Associate Professionals	25	3	6	5	18	0	0	0	3	0	13	32
Clerical Support Workers	20	14	1	6	23	8	0	0	24	9	28	29
Service & Sales Workers	0	0	11	0	16	0	0	0	0	0	16	35
Skilled Agricultural, Fishery and Related Trade Workers	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machine Operators and Assemblers	12	0	0	6	26	4	0	0	11	19	0	7
Elementary Occupations	199	52	23	12	66	8	0	0	33	36	0	29
Total Number of beneficiaries	**335**	**73**	**56**	**57**	**256**	**20**	**0**	**0**	**95**	**68**	**93**	**156**

As per the table above Kouga embarked on extensive training for its employees in the 2018/2019 Financial year.



From the graph above, Kouga Local Municipality's investment in its human capital increased 13-fold since June 2016. For the 2018/19 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record of R 1 373 126,67 spent on capacitating employees. This is a major achievement for Kouga and its employees and is indicative of the Municipality's commitment to enhancing the skills, talent and development of its most important asset.

Water & Wastewater Reticulation Learnership- NQF 2: This is a group of employees employed in the Water section of the Municipality attending a Water and Wastewater Reticulation Services Learnership NQF level 3 in Kouga. Most of the employees pictured below have never received any formal training, some being in the municipality for as long as 30 years. These employees are proving that it's never too late to learn.

Water and Wastewater Reticulation Learnership- NQF 3

Municipal Finance Management Programme (MFMP)

In 2007, the minimum competencies for officials responsible for financial and supply chain management, were regulated. Minimum higher education qualifications; work related experience and core managerial and occupational competencies are among the aspects covered by the regulations.

The minimum competency levels also seek to professionalize the local government sector and to make it a career choice for talented officials and to some extent mitigate some of the root causes of poor financial management and service delivery experienced at Local Governmental level. It is also required to report to National Treasury on a quarterly basis on the progress of the Minimum competency levels.

The Municipality had a severe backlog of financial officials not having achieved the Minimum Competency levels. To remedy this, the Municipality appointed FACHS Training Institute, through a Section 32 procurement process, to facilitate the required MFMP training. A Service Level Agreement was signed between FACHS and the Municipality which will ensure the training runs according to plan.

35 officials were earmarked to attend the training, in order to ensure they comply with the said regulations. However, to ensure expansion of the programme and the need to capacitate more officials in the MFMP programme, a Supervisory Programme was initiated to cater for 75 non-financial officials in supervisory positions and middle management positions.

Below is the Municipality's compliance in terms of the 2007 minimum competency regulations for officials responsible for financial and supply chain management as per Annexure C.

Position	**Highest Education Qualification**	**Work Related Experience**	**Performance Agreement Signed** *(where required)*	**Completed Required Unit Standards**	**Requirements Met**	**Compliant** *(consider Budget)*
Accounting Officer	✓	✓	✓	✓	**4**	✓
Chief Financial Officer - Municipality	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓

Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed *(where required)*	Completed Required Unit Standards	Requirements Met	Compliant *(consider Budget)*
Senior Manager (MSA S56)	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Supply Chain Management Manager	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	**X**	✓	✓	✓	**3**	**X**
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓
Middle Manager: Finance	✓	✓	✓	✓	**4**	✓

The 35 employees who are attending the MFMP will graduate in March 2020 with an NQF 6 qualification with 21-unit standards.

KEY NO	POLICY NAME
1	Acting Policy
2	Health and Safety Policy
3	Overtime Policy
4	Recruitment and Selection Policy
5	Leave Policy
6	Absenteeism and Reporting Absence from work Policy

7	Sexual Harassment Policy
8	Scarce Skills
9	Temporary Staff
10	Vehicle allowance policy
11	Essential user policy
12	Code of Conduct
13	Training policy
14	S&T policy

2.12 MANAGING THE MUNICIPAL WORKFORCE

HUMAN RESOURCE POLICIES

The following HR related policies and staff documents have been developed and has been approved by Council:

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Eleven HR policies were drafted, reviewed and approved in the year under review. The adoption of these policies ensured that the Municipality adheres to legislative prescripts as set out in Collective Agreements and other National Acts. It also formalises a standard set of rules and guidelines for all staff.

In order to have these policies approved, the HR team embarked on an in-depth process of consultation with Organised Labour, Management, and Political leadership. These policies were approved by Council 30 October 2018. The general workforce was introduced and orientated on all policies via an extensive Policy Roadshow.

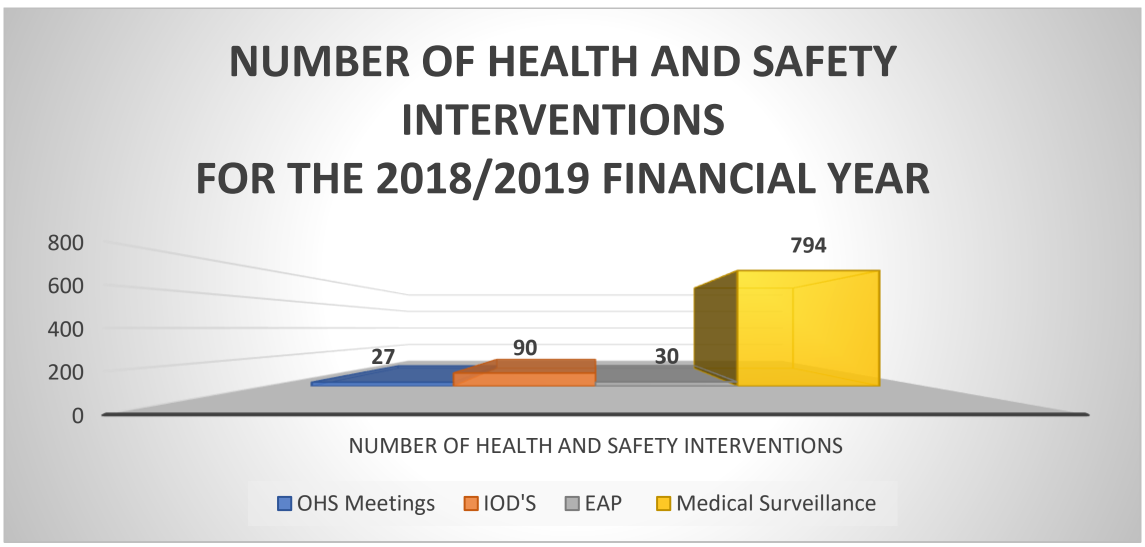
2.13 INJURIES ON DUTY AND SICKNESS

The Health and Safety section made significant strides in the 2018/19 Financial year. Some of the major achievements were the following:

1. A risk assessment for all high-risk areas was conducted.
2. The section procured 315 Twin-rex (Hepatitis A and B) injections for all high-risk employees who are exposed to harmful materials and substances.
3. Receiving a letter of Good standing from department of Labour for a second year in a row.

The table below presents statistics of the Health and Safety programmes for the year which ensures that the Municipality is in compliance with the Occupational Health and Safety Act and its Regulations.

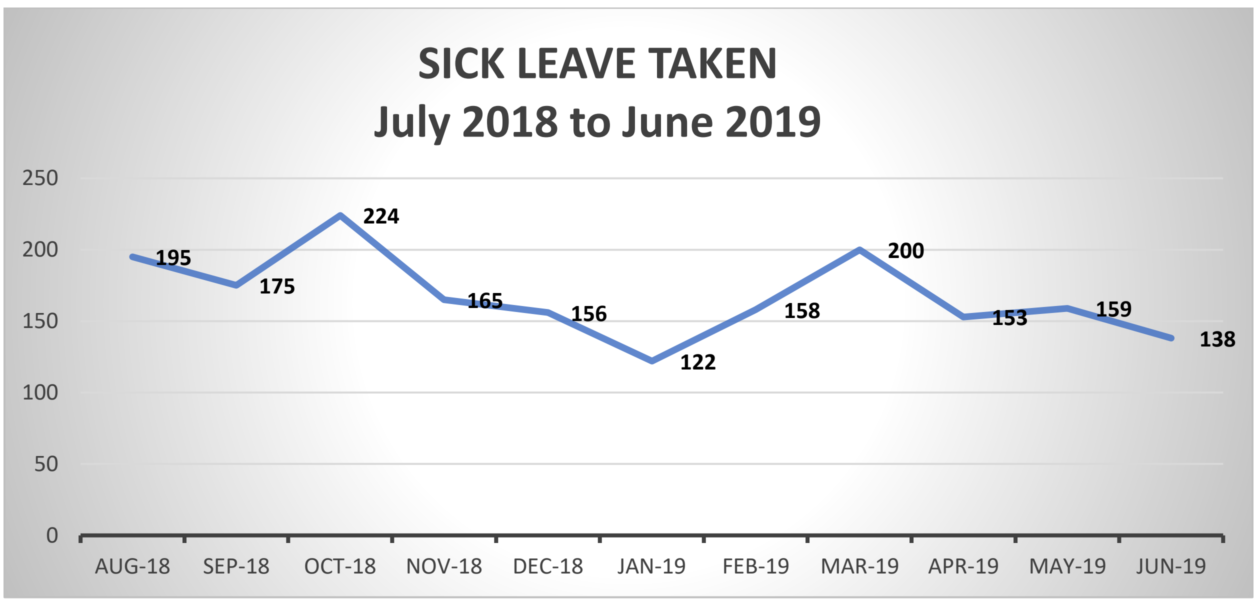
OCCUPATIONAL HEALTH AND SAFETY	Jul -18	Aug -18	Sep -18	Oct -18	Nov -18	Dec -18	Jan -19	Feb -19	Mar -19	Apr -19	May -19	Jun -19
Number of Injuries on duty reported	6	5	8	8	11	14	5	1	14	6	7	5
Number of Medical Surveillance	0	25	45	173	214	4	0	90	150	35	39	19
Number of monthly safety representative meetings	3	3	1	3	4	3	1	2	3	2	1	1
Number of Employee Assistance interventions	0	2	1	1	11	2	0	2	7	3	0	1
TOTAL	**9**	**35**	**55**	**185**	**240**	**23**	**6**	**95**	**174**	**46**	**47**	**26**



From the above graph, for the 2018/2019 Financial year:

- 90 Injuries on duty were reported;
- 27 Health and safety meetings were held;
- 794 employees were sent for Medical Surveillance;
- 30 Employee Assistance interventions were facilitated.

Illustrated are some of the successful programmes that the Health and Safety initiated, which included a Health and Wellness programme offering free Health Screening for employees, and a Financial Wellness workshop for all employees.



The above is an indication of the sick leave days taken throughout the financial year. Sick leave has shown a steady down-ward curve. This has in turn led to a more productive workforce.

The Municipality has made a concerted effort to monitor sick leave and one of the ways of reducing sick leave occurrence is to report sick leave statistics and create awareness amongst employees that sick leave use/misuse/abuse is being monitored.

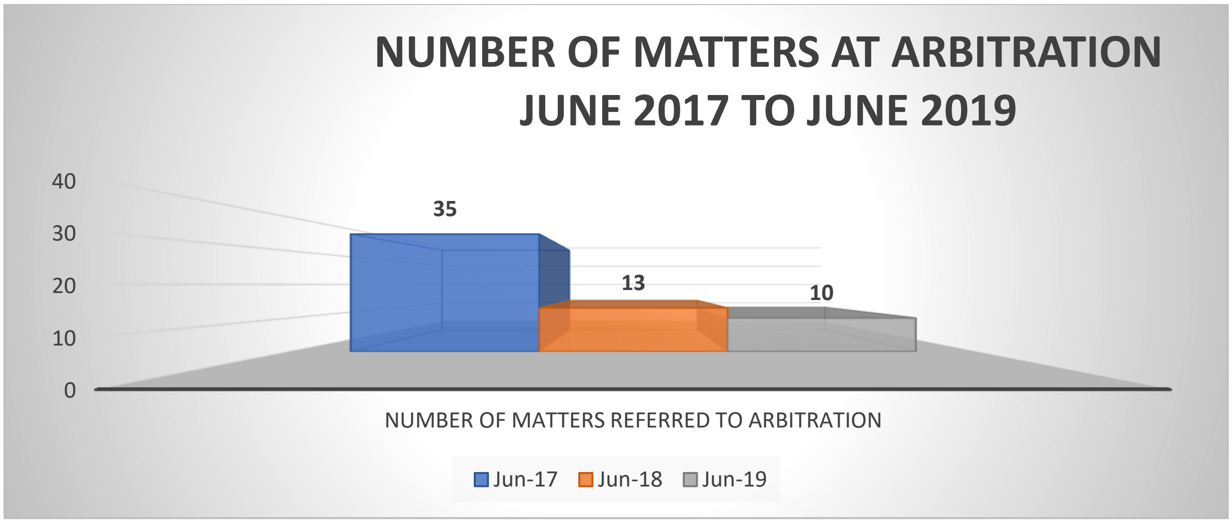
2.14 LABOUR RELATIONS

The following schedule reflects labour related matters dealt with at the level of the South African Local Government Bargaining Council, the Commission for Conciliation

Mediation and Arbitration, disciplinary hearings, Labour Court matters and grievances. Matters for arbitration have decreased significantly due to all outstanding matters being swiftly dealt with. Grievances have also decreased significantly.

DISCIPLINARY MATTERS	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Apr-19**	**May-19**	**Jun-19**
Number of disciplinary matters	3	4	4	5	9	2	5	5	8	5	3	6
Number of Matters at arbitration	3	1	4	3	2	4	3	2	4	2	3	3
Number of Matters in the Labour Court	0	0	0	0	0	0	0	0	0	0	0	0
Number of Matters Finalised	1	2	1	2	3	4	5	2	8	2	1	4
Number of Grievances	1	1	2	1	0	1	2	3	1	1	0	1
Number of Grievances finalised	1	0	0	1	0	0	2	0	0	0	0	0
TOTAL	**9**	**8**	**11**	**12**	**14**	**11**	**17**	**12**	**21**	**10**	**7**	**14**

Indicated in the table below is a year on year comparison of matters referred to Arbitration. Matters at Arbitration have drastically decreased from 35 in June 2017 to 10 in June 2019. This is attributed to the Human Resource Section engaging with employees through Roadshows to create awareness of policies and procedures, dealing promptly with grievances before they escalate to disputes, encouraging progressive discipline, implementing a probation procedure and bridging the divide between employees, management and labour.



2.15 WORKFORCE EXPENDITURE

The following schedule reflects trends in workforce expenditure over the past 9 years:

SALARY EXPENDITURE

Years	Total number of staff	Actual Operational Expenditure	Personnel expenditure (salary and salary related	Percentage of expenditure
2010/2011	1089	R447,523,000	R182,860,683	41%
2011/ 2012	960	R553,676,22	R182,822,233	33.02%
2012/2013	922	R545,906,310	R193,299,330	35.41%
2013/2014	878	R589,244,141	R208,085,170	35.32%
2014/2015	822	R578,855,272	R212,826,380	36.77%
2015/2016	860	R619,357,681	R228,746,553	36,93%
2016/17	824	R672,685,052	R224,583,364	33.39%
2017/18	873	R745,019,039	R245,776,991	32.99%
2018/2019	924	R827 415 457	R 252 873 819,97	33.08%

COUNCILLOR ALLOWANCES

Designation	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Executive Mayor	677 826,00	718 495,00	758,012,00	819 461	826 414	859 471,00
Speaker	542 261,00	574 795,00	606 410,00	662 047	661 129	687 575,00
Mayoral Committee (Total)	2, 694, 360	3 233 232,00	3 411 060,00	3 700, 176	3 700, 176	3 867 618,00

Mayoral Committee (Individual)	449 060	538 872.00	568 510.00	616 696.00	619 811	644 603,00
MPAC Chairperson	-	-	-	343 032.00	335 630	349 055,00
Part-Time Councillors (Total)	4 351 641,00	4 526 508,00	4 798 101	5 151 225	5 492 109	5 439 800,00
Part-Time Councilors (Per Councilor)	189 201.00	196 804.00	208 613.00	223 966.00	261 529	271 990,00

SENIOR MANAGERS

Position/Benefit	2013/14	2014/15	2015/16	2016/17	2017/18	2018/2019
Municipal Manager						
Annual Remuneration	1 005 022	1 073 263	1 148 392	1 217 295	1 395 280	1 470 625,00
Performance Bonus	0	75 128.41	0	(Not eligible)		
Chief Financial Officer						
Annual Remuneration	891 957	476 260	641 667	1 100 000	R 1 317 437	1 388 579,00
Performance Bonus	60 563.88	0	33 366.68	To be considered		
Director: Community Services						
Annual Remuneration	891 957	952 521	1 019 198	1 080 349	R 1 145 598	1 207 460,00
Performance Bonus	0	0	0	(Not eligible)		
Director: Planning, Development & Tourism						
Annual Remuneration	891 957	952 521	1 019 198	1 080 349	R 1 145 598	1 207 460,00
Performance Bonus	60 563.88	0	69 305.46	(Not eligible)		
Director: Infrastructure & Engineering						
Annual Remuneration	891 957	952 521	1 019 198	1 080 349	R 1 145 598	1 207 460,00
Performance Bonus	0	0	0	To be considered		

Director: Corporate Services						
Annual Remuneration	891 957	952 521	1 019 198	1 080 349	R 1 145 598	1 207 460,00
Performance Bonus	60 563.88	66 676.47	50 959.89	To be considered		

It must be noted that the payment of performance bonuses can only be considered on approval of the Annual Report for the performance year under review and only after Council approval for the payment of such bonuses. Payment of performance bonuses is considered in the ensuing year but reflected in respect of the year the performance bonus was earned.

COMMENT ON WORKFORCE EXPENDITURE:

As per the directives of the Political Leadership, Administration made substantial attempts to reduce workforce expenditure which is evident from the current staff salary percentage as compared to the total operating expenditure.

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

The Municipality migrated from the Old Van der Merwe job grading system to the Task grading system in 2016, with the effect being that a substantial number of employees were earning more than the Task job grading salary scales. Due to this fact numerous employees are on contractual to holder positions, they are paid within the task grade ranges albeit at a higher task grade range. These employees are not considered for notch increases within the task grade ranges but qualifies for the annual cost of living increases.

2.16 LEGAL SERVICES

The role of the legal services function is to render continuous effective and efficient legal and compliance services to Council, directorates and municipal staff. In addition to this, it is the role of the legal service function to co-ordinate the review of by-laws and Council policies. The aim of the legal services function is to decrease the legal risk to which the municipality may be exposed in respect of its decision-making processes, and which decision-making processes ultimately promotes effective and efficient service delivery.

Highlights:

Highlight	Description
Establishment of the internal legal function	The legal services function, which has been centralized, which expedites the turnaround times to attend to legal matters as well as the payment of professional legal service providers.

Highlight	Description
	There were no successful appeals against the municipality regarding the award of tenders and quotations.
	The municipality managed to settle a number of civil matters during this financial year, more specifically historical matters which have been looming. Thanks to a strong HR component, a number of Labour matters were finalized with success.
	The municipality continues to experience an increase in the provision of legal updates, legal advice and general legal assistance to Council and the respective user departments.
	The Legal Services functions continues to provide Council with a detailed Report on Legal Matters, allowing Council to effectively implement its oversight function.
	A Master Policy Register is maintained in order to keep track on all approved Council Policies and assist is the implementation of such policies.

Challenges:

Challenges identified	Required action
Ensuring that the Legal Services function of the municipality maintains its existing standard of objectivity and its focus on corporate governance, notwithstanding continuous external and internal pressure.	The Legal Services function must provide legal advice and assistance substantiated by the applicable legislation, relevant case law and common law principles.
Identify and correctly define each legal matter in order to understand the legal implications of any failure to resolve the problem expediently.	Draft Standard Operating Procedures for legal services, providing for the correct administrative and operational procedure when dealing with a legal matter. The aim is to mitigate the risk exposure which may result from any legal matters.
Absence of a Panel of Legal Service Providers.	Establish a panel of legal service providers in order to prevent irregular expenditure.
Staff Compliment – the legal services function currently comprises of the Manager Legal Services with temporary administrative support. This hampers the provision of an optimum and efficient service by this function.	Appoint permanent support staff.

REGISTER OF LEGAL SERVICE PROVIDERS 2018/19					
LEGAL SERVICE PROVIDER	LEGAL DISCIPLINE	CONTACT PERSON	CONTACT NUMBER	EMAIL ADDRESS	POSTAL ADDRESS and/or PHYSICAL ADDRESS
Billet Gouws Attorneys	Eviction Application	John Billet	042 293 0191 / 081 049 5198 / 0828740096	john@billettgouws.co.za	PO Box 440, Jeffreys Bay, 66330
CW Malan Jeffreys Bay Inc.	Civil and Commercial Litigation, Provision of legal opinions, General Legal Advice, Property Law, Town Planning & Building Control, Conveyancing, Contract Law, Litigation Local Government Affairs, Debt Collection	BJG De Swardt (Rencke) J Boschoff	042 293 1053	reception@comalan.co.za	PO Box 273, Jeffreys Bay, 6330 Global Start House, Unit 1, Top Floor, 79 Da Gama Road, Jeffreys Bay
Heystek Attorneys	Eviction Applications	Fanus Heystek	042 293 2558 / 082 442 8489	scheystek@lantic.net	102 Da Gama Road, Jeffreys Bay, 6330 PO Box 308
Labuschagne van der Walt Inc.	Civil and Commercial Litigation, legal advice and labour matters	Tewis Labuschagne/ Linda Wessels	041 582 2069 / 082 829 1386 / 083 399 4164	tewis@lvdw.co.za	PO Box 70541, The Bridge, Port Elizabeth, 6032 6 Cuyler Street, Central, Port Elizabeth
McWilliams & Elliot Inc.	Civil litigation	Ed Murray	041 582 1250 / 082 550 1044	ed@mcwilliams.co.za	PO Box 45, Port Elizabeth, 6000 152 Cape Road, Mill Park, Port Elizabeth, 6001
Spangenberg Attorneys	Civil litigation	Hein Spangenberg	042 291 1144	hein@hjsproc.co.za	Corner of Du Plessis & Kemp Street, Humansdorp, 6300

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

DIRECTORATE: INFRASTRUCTURE AND ENGINEERING

COMPONENT A: BASIC SERVICES

3.1 PROVISION OF WATER

The Constitution of South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act entrusts the local municipality with provision of affordable, efficient, effective on-going water services which is sustainable. The Directorate Infrastructure and Engineering envisages an area that is supported by an efficient and well-maintained service infrastructure network, which allows all citizens and stakeholders access to a growing base of innovative, safe, reliable and affordable services. Service delivery requires the provision of new services as well as the maintenance of existing services.

The Present Consumer Water Quantities are:

Table 1:

TOWN	RESIDENTIAL ERVEN 2017/18	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2017/18	TOTAL No OF ERVEN 2017/18	RESIDENTIAL ERVEN 2018/19	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2018/19	TOTAL No OF ERVEN 2018/19
Humansdorp	6386	373	6759	6752	373	7125
Jeffreys bay (incl Aston Bay and Paradise Beach)	11204	1419	12623	11204	1419	12623
ST. Francis Bay	3456	48	3504	3456	48	3504
CAPE ST FRANCIS	810	3	813	810	3	813
OYSTER BAY	555	13	568	555	13	568
HANKEY	2674	84	2758	2674	84	2758
PATENSIE	784	67	851	784	67	851
LOERIE	471	13	484	471	13	484
THORNHILL	491	13	504	491	13	504
TOTAL			28864			29230

Note: Humansdorp Kruisfontein 366 new households Housing development

Key Stakeholders

The towns of Hankey and Patensie obtain raw water from the Kouga Dam via the canal system which is operated by the Gamtoos Irrigation Board on behalf of the Department of Water and Sanitation. Raw water is treated at the Patensie and Hankey water treatment works to potable standard before distribution.

The towns of Loerie, Thornhill, Jeffreys Bay, Humansdorp and St Francis Bay obtain potable water from the Nelson Mandela Metro. The water supply of Jeffreys Bay and Humansdorp are augmented by underground water. The town of Oyster Bay is solely dependent on ground water obtained from boreholes and springs.

Level and Standard in Water Services

All the consumers within the Kouga Municipality receive water services at or above RDP standards (access to communal water standpipe in informal areas within 200m distance) Based on the Service Level Policy of Kouga to provide higher level of service, first order of assessment indicates that Kouga requires R77 million to service and provide house connections to all residents in informal settlements once formalized (excluding Bulk). Our Regional Bulk Infrastructure Program for water services requirement is estimated to be R 616 million.

Kouga Municipality is committed and endeavors to conform to the norms and standards of SANS 214 and Blue drop requirements with regards to water quality.

The prolonged drought experienced within the Eastern Cape continued to affect the Kouga region with detrimental consequences in the Gamtoos Valley area, especially the agricultural sector.

Kouga Council, in terms of Section 55(1) of the Disaster Management Act No57 of 2002, renewed the declaration of a local state of disaster under Item 18/02/I&E1 at a Special Council meeting held on 1 February 2018.

The Eastern Cape specifically declared a provincial state of disaster due to the magnitude of the drought and water situation that exceeded the province's capacity to cope therewith. The declaration of a local state of disaster was published in the extraordinary Provincial Gazette No 3876, dated 12 June 2017.

Acting in terms of Section 55(1) of the Disaster Management Act, 57 of 2002, the Sarah Baartman District Municipality re-declared (renewed) a Local State of Disaster for the drought and water shortages in the Sarah Baartman District Municipality on 31 January 2019. This declaration was published in the Provincial Gazette No 4194 dated 25 February 2019.

The Minister of Cooperative Governance and Traditional Affairs declared a National State of Disaster in light of the magnitude and severity of the prevailing drought conditions across the country, which was published in Government Gazette no.41493 on 13 March 2018.

Two business plans were prepared during mid-2018 with the objective to obtain financial assistance from a National Disaster Grant allocation to:

- Implement and provide emergency drought relief measures in the form of groundwater exploration, followed by the development and equipping of boreholes within the affected towns in the Kouga Jurisdictional Area and
- Implement Water Conservation and Demand Management Initiatives (WCDM), which include the replacement of old pipelines.

Drought relief funds were allocated to Kouga Municipality to the amount of R 151m which was Gazetted on 4 October 2018 in Government Gazette No 41958. Funds were allocated as follows;

R 58,728m in terms of Schedule 6B of the Division of revenue Act, 2018 (Act 1 of 2018) under the Provincial Disaster Relief Grant for disaster response, namely groundwater development.

Project Name	Description summary	Amount
Patensie water supply	Groundwater development/Boreholes	R 8,401,216.00
Hankey water supply	Groundwater development/Boreholes	R 33,179,000.00
Jeffreys Bay water supply	Groundwater development/Boreholes	R 4,500,000.00
Humansdorp water supply	Groundwater development/Boreholes	R 5,427,708.00
Cape St Francis water supply	Groundwater development/Natural springs	R 5,910,000.00
Oyster Bay water supply	Groundwater development/Boreholes	R 1,311,015.00
Total project amount		R 58,728,939.00

R 92,5m in terms of Schedule 5B of the Division of Revenue Act, 2018(Act 1 of 2018) under the Water Services Infrastructure Grant (WSIG) for the implementation of Drought intervention/Water Conservation and Demand Management (WCDM) projects.

Project Name	Description summary	Amount
Kouga area	Meter and internal leak audit, Repairs to internal leaks (Assistance to the poor ATTP) and water meters. Reservoir level control. Meter replacement	R 15,550,000.00
Patensie	Reticulation pipeline replacement; Main line reservoirs to Ramaphosa Village and internal leak repairs	R 10,500,000.00
Hankey	Reticulation pipeline replacement Replace old AC pipes.	R 11,000,000.00
Oyster Bay	Reticulation pipeline replacement Replace old AC pipes.	R 450,000.00
Jeffreys Bay	Refurbish/Upgrade water treatment works	R 35,000,000.00

Humansdorp	Augmentation of Kruisfontein water supply	R 20,000,000.00
Total project amount		R 92,500,000.00

Progress to date Groundwater development/Boreholes

Jeffrey's Bay

Drilling started on 21 October 2018, firstly focusing on the north-western outskirts of Jeffrey's Bay near the WTW. The tightly folded Skurweberg Formation was targeted. A total of five (5) production boreholes have been drilled in Jeffreys Bay under the drought intervention project. The total additional supply potential from all the new boreholes drilled is during 2017 and 2018 is 54,5l/s or 4 700Kl/day.

The design of the reticulation infrastructure to convey water from the above production boreholes to the nearby Jeffrey's Bay WTW is completed. A contractor has been appointed during May 2019 to install conveyance pipe network from the new boreholes to the treatment plant and the project has already started. It is envisaged to be completed during Sept 2019.

Detail of boreholes drilled near the Jeffrey's Bay WTW is provided in the table below.

Borehole number	Start date	End date	Depth (m)	Blow yield (l/s)	Sustainable yield (l/s)	EC (mS/m)
GWA/JB3/2018	21/10/2018	25/10/2018	181	47	15	126
GWA/JB4/2018	22/10/2018	29/10/2018	231	24	10	126
GWA/JB5/2018	26/10/2018	13/11/2018	255	55+	20	532

Hankey

Our focus is currently in Hankey are as this is where the most urgent need to augment water supply has been identified. The following is relevant: The town of Hankey in the Gamtoos Valley area is totally depended on the water quota received from and controlled by the Gamtoos Irrigation Board (GIB). Further hereto the reduction in the water quota has been implemented which has aggravated the situation. It is imperative that an alternative water supply/source is identified and developed as soon as possible. Through geological investigations potential groundwater sources were identified on private land adjacent municipal property, and these private landowners were approached to obtain permission to undertake exploration work with the intent to develop boreholes for domestic use in Hankey.

Permission has been obtained from private landowners to drill exploration boreholes on the neighboring property(Portion 8 of the farm Zuurbron no191), which belongs to Endulini Zuurbron (Pty) Ltd. A local Attorneys has been appointed to draft an agreement between Kouga Municipality and Endulini Zuurbron for drilling of boreholes for municipal use and to formalize servitude rights.

At Hankey two exploration boreholes were drilled on Municipal property. The purpose of these boreholes was to determine the lateral extent of the Baviaanskloof Formation which is to be targeted. It was concluded that the Baviaanskloof Formation can only be targeted within a square area of about 35 m2 in the western corner of the municipal-owned property.

Two production boreholes have been drilled to a depth of 301m and 231m respectively on municipal property and five production boreholes on adjacent privately-owned land with consent from landowner.

The total additional supply potential from all the new boreholes drilled is 1 400Kl/day.

Detail of boreholes drilled on municipal land located to the south of Hankey is provided in the table below.

Borehole number	Depth (m)	Sustainable yield (l/s)	EC (mS/m)
GWA/HAN3C/2018	301	7	411
GWA/HAN4/2018	331	3	369

Detail of boreholes drilled on private land located to the south of Hankey is provided in the table below.

Borehole number	Depth (m)	Sustainable yield (l/s)	EC (mS/m)
GWA/HAN6P/2019	199	2	212
GWA/HAN9P/2019	212	2	294
GWA/HAN13P/2019	199	2	235
GWA/HAN19P/2019	295	2	93
GWA/HAN20P/2019	197	2	395

HUMANSDORP

The new municipal boreholes drilled on municipal land can supply an estimated 2 700Kl/day or 28% of the town's requirements (this includes an existing municipal hole in Kruisfontein that was tested in late 2017).

This includes:

- Humansdorp (Eskom sub-station/ R330 area): 1 700Kl/day (max 22 100Kl/day)
- Kruisfontein: 1 000Kl/day (max 1 200Kl/day)
- Total: 2 700Kl/day ((max 3 300Kl/day)

The boreholes should be pumped at the recommended rates, and with time, it will be possible to establish whether they can be pumped at higher rates or if they need to be rested at times.

Details of boreholes drilled near Humansdorp (north of the N2) is provided in the table below.

Borehole number	Depth (m)	Sustainable yield (l/s)	EC (mS/m)
GWA/HD1/2018	253	6	130
GWA/HD2C/2018	151	4	276
GWA/HD3/2018	218	3	123
GWA/HD4/2018	301	7	61

Detail of boreholes drilled near Kruisfontein (south of the N2) is provided in the table below.

Borehole number	Depth (m)	Sustainable recommended yield (l/s)	EC (mS/m)
GWA/HD6C/2019	178	4,5	26
GWA/HD7/2019	175	1,8	38
GWA/HD8B/2019	259	3,5	24

Oyster Bay

The total yield from the old existing sources (360 kl/day), and the two boreholes (OB2 & OB 3) drilled during 2017 (170 kl/day), together with two boreholes (OB4 &OB5) drilled during 2018 (230 kl/day) is adequate to meet the current demand as well as the peak demand over holiday periods. The measured water requirement over the 2017/8 summer holiday period for Oyster Bay was 530 Kl/day

With the additional drilled boreholes, the total potential yield for Oyster Bay is:

- Old sources (Bhs & springs): 360 Kl/day
- 2017 Drilled new boreholes (OB2 & 3): 170 Kl/day
- 2018 Drilled new boreholes (OB4 & 5): 230 Kl/day
- (Total new boreholes: 400 Kl/day)

Total potential water yield for Oyster Bay = 760 Kl/day

It is however imperative that Water Conservation and Demand Management initiatives be implemented and continued with to ensure the efficient use and management of current water sources.

The next step is to equip the two new boreholes and connect them to an existing bulk water main which discharges to a sump from where water is pumped to the WTW. The possibility of constructing a new sump next to the existing and upgrading the pump station at the sump needs to be considered.

Details of boreholes drilled at Oyster Bay is provided in the table below

Borehole number	Depth (m)	Sustainable yield (l/s)	EC (mS/m)
GWA/OB4/2018	271	2,0	107
GWA/OB5/2018	290	0,7	103

PATENSIE

Two boreholes were drilled in Patensie town and one hole at the water treatment works. Salinity of the last hole is extremely high, and this hole will not be used.

Borehole number	Depth (m)	Sustainable yield (l/s)	EC (mS/m)
GWA/PAT1/2019	205	6,2	183
GWA/PAT2/2019	223	3	215
GWA/PAT3/2019	139	n/a	1454

Progress with Drought Intervention / Water Conservation and Demand Management project.

The objectives of the Water Conservation and Demand Management initiatives have been determined to be as follows:

- Ensure sustainable provision of domestic water supply to communities.
- Ensure and promote safe and healthy environment for the communities
- Improve water use efficiency of remaining existing water resources.
- Improve the efficiency and functionality of existing infrastructure.
- Improve the sustainability of existing water supply schemes.

The full scope of Water Conservation and Demand Management intervention work involves the following to reduce Non-Revenue Water:

- Audit all domestic, Institutional, Commercial and Industrial water meters and connections
- Audit internal plumbing of poor households for leaks.
- Assistance-to-the-poor (ATTP) repairs to internal leaking taps and toilet cisterns.
- Audit ablution facilities of schools for water wastage.
- Investigate high water users/consumers installation
- Emergency leak repairs,
- Replacement of pipe sections which can no longer be repaired,
- Installation and replacement of water meters,
- Reduction of pressure in areas where high pressure exists,
- Installation of flow control devices at schools and high consumers, water awareness campaigns.

The following activities have been undertaken and completed.

- A total of 15 226 domestic consumer water meter audits have been completed
- 186 ICI (Institution/Commercial/Industry) audits completed
- 28 010 follow up water meter readings taken to date
- A total of 1820 properties have been retrofitted (Assistance to the poor repair of internal leaks.)
  - Hankey = 358
  - Patensie = 170
  - Loerieheuwel = 64
  - Thornhill = 56
  - Oyster Bay = 73
  - Jeffreys Bay Pellsrus = 230
  - Jeffreys Bay Oceanview = 57
  - Jeffreys Bay town = 4
  - Humansdorp Kwanomzamo = 396
  - St Francis Bay / Sea Vista = 70
  - Humandorp Vaaldam/Arcadia/Kruisfontein= 342

A total of 1961 domestic water meters have been replaced,

- Hankey = 344
- Patensie = 164
- Loerieheuwel = 103
- Thornhill = 49
- Oyster Bay = 73
- Jeffreys Bay Pellsrus = 143
- Jeffreys Bay Oceanview = 57
- Humansdorp Kwanomzamo = 502

- St Francis Bay/Sea Vista = 188
- Humansdorp Vaaldam/Kruisfontein/Arcadia = 338

A total of 110 bulk water meter loggers were installed.

A special domestic auditing investigation has been initiated to investigate meters that cannot be read. To date 2168 properties have been visited

Zoning Activities have been completed in the following Demarcation areas (DMA's):

- Thornhill
- Loerie
- Oyster Bay
- Jeffreys Bay – Oceanview
- Jeffreys Bay - Pellsrus
- Jeffreys Bay – Aston Bay
- Jeffreys Bay – Paradise Beach
- St Francis Bay –Sea Vista
- St Francis Bay – Industrial area
- Cape St Francis

Major Challenges in Water Services and Remedial Actions

The bulk water service level agreement with the Nelson Mandela Metro remains in draft form and this agreement must be finalized and concluded.

Addressing and the curbing of water losses/unaccounted water, due to ageing infrastructure (pipe breaks and leaks) remains an on-going challenge.

The provision of adequate funding, for the upgrade and replacement of aging water infrastructure, especially pipe reticulation networks remains a challenge.

3.2 SANITATION (WASTE WATER) PROVISION

The policy of Kouga LM, adopted during 2015, provides that the minimum acceptable standard for sanitation services will be a waterborne system in all areas.

Due to the limited own capital funding for projects, bulk infrastructure upgrading/ rehabilitation is mostly funded by grant funds.

The majority of MIG (Municipal Infrastructure Grant) funds were allocated to sewer related projects during the 2018/2019 year. These projects included the following:

- Upgrade of St Francis Bay Wastewater Treatment Works. MIG allocation for 2018/2019 was R31,186,000.00
- Commencement with a sewer master plan for Jeffreys Bay.

The backlog that presently exists at all Kouga Wastewater Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 Ml/day.

During 2018/2019 the services of a Professional Service Provider was procured for the development of a Sewer Master Plan for the Jeffreys Bay area.

Levels and Standards in Sanitation Services

Four (4) levels of sanitation services are provided i.e:

- buckets and chemical toilets only for the informal housing areas,
- full waterborne to 60% of households,
- septic tanks/conservancy tanks to 37,1% of households, and
- digesters and/or VIP's (Ventilated Improved Pit) to 2.9% of households.

The following table depict the number of consumers per type of sanitation services: (Note: Buckets and Chemical toilets serve informal settlements)

TOWN	TYPE							
	Bucket	Conservancy tank	Chemical toilets	Pit	Septic tank	Small bore	VIP	Water borne
Cape St Francis/ St Francis Bay/ Sea Vista	540 (illegal buckets)	3532	18	-	-	-	-	785
Hankey	439	837	0	-	-	-	420	1 501
Humansdorp	1 568	939	36	-	-	-	-	5 608
Jeffrey's Bay	787	3 203	26	-	539	-	-	8 881
Loerie	260	12	5	-		150	-	334
Oyster Bay	117	100	7	-	468	-	-	-
Patensie	470	229	29	-	49	-	-	573
Thornhill	160	0	8	-	-	-	-	504
Total	4 341	8 852	129	-	1 056	150	420	18 186

Annual Performance as per Key Performance Indicators in Sanitation

The goal of the Municipality is to provide all consumer units with a full flush form of sanitation. As can be seen from the above table, 18 186 of the consumer units are already serviced with full waterborne/small bore sanitation, and 9 908 being served by septic/conservancy tanks.

As indicated earlier, all the projects being implemented and planned in the Municipality are geared to achieving the above goal.

	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 with access to sanitation services	100%	Nil%	100%	100%	100%
2	Percentage of indigent households with access to free basic sanitation services	100%	Nil	100%	100%	100%
3	Percentage of clinics with access to sanitation services	100%	Nil	100%	100%	100%
4	Percentage of schools with access to sanitation services	100%	Nil	100%	100%	100%

Figures reflected above refer to formal registered cadastral erven.

Challenges

- The replacement of conservancy tanks with full waterborne reticulation.
- Upgrade of sewer pump stations and rising mains to increase capacity.
- Provide standby generators at all sewer plants and pump stations.
- Replacement of aging vehicle fleet, especially suction tankers.
- The appointment of qualified process controllers and plumbers.

3.3 ELECTRICITY

The Kouga Municipality is the registered Supply Authority for the towns of Humansdorp, Jeffrey's Bay, St Francis Bay, Cape St Francis and Oyster Bay, and at each town bulk supply is taken from the Eskom grid. Maintenance of the internal distribution networks is done by Kouga Municipality.

The Municipality's role is to construct, operate, and maintain the distribution network for electricity service delivery to residential, commercial and industrial consumers in each town, which includes street lighting and supplying pump stations, etc. with electricity. Hankey, Patensie and Loerie are supplied with electricity by Eskom, and Thornhill by the Nelson Mandela Municipality

THE PRESENT CONSUMER QUANTITIES FOR ELECTRICITY ARE:

Town	Residential Consumers 2017/18	Institutional Commercial Industrial 2017/18	Total 2017/18	Residential Consumers 2018/19	Institutional Commercial Industrial 2018/19	Total 2018/19
Humansdorp	6560	374	6934	7 177	377	7 554
Jeffreys Bay	9895	625	10520	10 135	650	10 785
St Francis Bay	2032	93	2125	2058	101	2 159
Cape St Francis	507	7	514	595	10	605
Oyster Bay	406	10	416	437	12	449
Total	19 400	1109	20509	20 402	1 150	21 552

Note: Total excludes vacant erven.

The key factors in the service delivery strategies are to maintain a high standard of service and to ensure that electricity is available to all commercial properties, households (both formal and informal) and new development within acceptable norms. To reduce the financial burden on consumers, particularly in terms of the capital requirements for new distribution networks, applications were made to all relevant institutions for financial assistance in a well-planned manner.

Level and Standards in Electricity Services

The aim is for the levels and standards for the provision of the electricity services, to be compliant with the requirements of the National Energy Regulator (NER) and the quality of service and supply standards of NRS 047 & 048. Annual reports in this regard were submitted to NER based on information obtained from data loggers installed at various locations in the network.

Electricity is made available to all potential consumers in the areas for which the Municipality has a supply license. The target is revised annually in accordance with the demand and the necessary steps are taken to timeously complete the work.

This includes applications to the Department of Energy (DoE) to obtain the necessary funding for both electricity and infrastructure upgrade. MIG funding is used for the provision of area / street lighting in low cost housing areas.

During 2018/2019 the Department of Energy allocated Kouga Municipality funding to the amount of R10.5m for the upgrade of bulk infrastructure and the electrification of houses in phase 2; 391 housing project (Kruisfontein) Humansdorp. A total of 237 erven were electrified during 2018/2019.

Annual Performance as per Key Performance Indicator in Electricity Services

	Indicator name	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Households with access to electricity services	21 552	1894	200	200	100%
2	Indigent households with access to basic electricity services	6 397	1894	200	200	100%
3	Indigent households with access to free energy sources	0	0	0	0	0%

Major Challenges in Electricity Services and Remedial Actions

- The upgrade of infrastructure (primary network) to meet future demand and finding the necessary funds through grants etc.)

- Improve quality of supply and general service delivery.
- The prevention of tampering and illegal connection.
- Training and capacitation of staff.
- Appointment and retaining qualified employees
- Ageing vehicles and equipment

Remedial Actions

- Master planning and stringent programs to implement measures.
- Annual Review of augmentation levy (contribution by new developments and existing consumers requiring upgrading of their supplies to augment the primary network) and consumption tariffs to meet capital program to upgrade infrastructure is undertaken.
- Appoint additional staff to monitor quality supply and level of services and enforce methods to rectify any deficiencies in the electrical supply. Staff to attend more training courses, to improve in-house training, particularly on safety aspects.
- Provide incentives to maintain qualified staff.
- The appointment of a service provider to investigate and prevent tampering.

3.4 ROADS

The road network within Kouga falls under the jurisdiction of the following authorities:

Road Authority	Length (km)
SANRAL (N2)	68,97 km
Eastern Cape Department of Roads	915,31 km
Kouga Municipality	402,5 km
Total	1 386,78 km

Levels and Standard in Roads Maintenance Services

The condition of roads in the Greater Kouga Municipal area deteriorated rapidly over the past few years due to aging infrastructure, increase traffic volumes, insufficient funding for maintenance and the impact of flooding over the past few years.

The standard of roads maintenance in all areas in the Kouga is the same whether its re-gravelling or resealing or pothole repair. Due to the lack of a pavement management system, visual inspection of tarred roads is performed to prioritize the reseal of tarred roads in all wards. Low level road maintenance services are done through a complaints register kept at each Administrative Unit. High level maintenance and repairs are determined through community participation at budget meetings.

The various levels and standards of the road network under the jurisdiction of the Municipality are reflected in the table below.

Road network under jurisdiction of Kouga Municipality

Road Type	Length (km)
Tar	307,5 km
Concrete	0,2 km
Block paving	7,5 km
Gravel	87,30 km
Total	402,5 km

Annual Performance Service as per Key Performances Indicators regarding Roads

Indicator name	Total number of household / customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (Actual numbers)	Number of HH/customer reached during the FY	% of achievement during the year
Percentage of households without access to gravel or graded roads	Nil	Nil	Nil	Nil	Nil
Percentage of road infrastructure requiring upgrade	21,74%	87, 3 km	Nil	Nil	Nil
Percentage of planned new road infrastructure actually constructed	Nil	87, 3 km	Nil	Nil	Nil
Percentage of capital budget reserved for road upgrading and maintenance effectively used.	Nil	*R 402,8 m	Nil	Nil	Nil

*Estimated amount to address backlog adjusted to compensate for inflation

Resealing of roads during 2018/2019.

During the 2018/2019 financial year funds to the amount R 4,265,000.00 excluding VAT was provided for resealing of roads on the operating budget.

A formal tender process was followed for the appointment of a contractor. Tender I&E 3/2018: Resealing of roads was advertised under Notice number 101/2018, with closing date for submission of bids on 16 July 2018. At a Bid Adjudication Committee meeting held on 24 October 2018, it was resolved that a contractor be appointed. The appointment letter for Tender I&E 3/2018 was issued on 1 November 2018.

Due to the deteriorating condition of surfaced roads additional funds were allocated during the adjustment budget process for the resealing of roads. The amended budget allocation was R8,904,000.00 excluding VAT.

The activities implemented under the contract were as follows:

- Repair of potholes = 22 295m2
- Coarse bitumen slurry = 125 533m2
- Hot Asphalt Overlay = 17 606m2

New capital road projects.

During the 2018/2019 financial year R 2,5m was provided on the budget and the following projects were initiated:

- Surfacing of the gravel link road between Blackberry Drive and Dogwood Avenue (204m) was done.
- Maak n Las (Humansdorp) access road: 2 x taxi pick up and drop off lay-bys, kerbing, pedestrian sidewalks and traffic calming measures (speedhumps) were constructed.
- Arcadia (Humansdorp) Jacob and Booyce Street: Kerbing and pedestrian sidewalks were constructed.
- Two entrances off Park road to Kwanomzamo Humansdorp were kerbed and surfaced.
- Duine road extension (Jeffreys Bay): A formal tender process was initiated for the appointment of a team of Professional services provider to undertake pre-planning activities.

Roads repaired with operational budget funding:

- Salie Street (Jeffreys Bay)

Major Challenges in Road Maintenance and Remedial Actions

Like the vast majority of local authorities throughout our country, road repair and maintenance remains a challenge due to budgetary constraints, terrain, aging road and storm water infrastructure, poor sub-surface conditions, and ever-increasing traffic volumes. The absence of a road pavement management system to assess and classify roads according to their remaining life span on a scientific basis, has not been concluded.

There is limited internal funding for routine road maintenance and rehabilitation, especially gravel roads. There is also no funding for the implementation of capital projects relating to surfacing of roads and installation of storm water infrastructure. The Kouga Municipality utilizes own funds for the maintenance and repair of Provincial roads located within our town boundaries. The following are Provincial roads located within town boundaries:

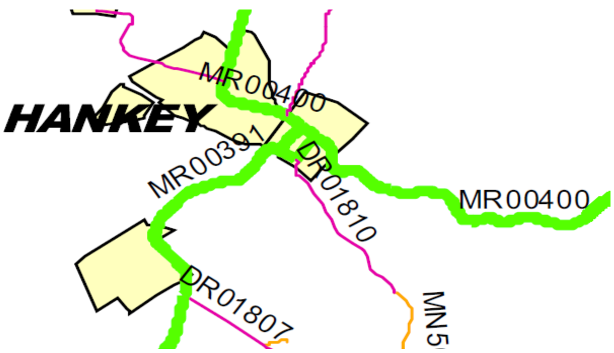
Provincial Road MR00381 runs from Humansdorp, between St Francis Bay and the St Francis Links Development to Cape St Francis where it runs the full length of St Francis Way into Seal Point Boulevard to the end of Seal Point Boulevard.

Provincial Road MR00389 runs the length of Da Gama Road up to Woltemade Street, then Woltemade Street up to St Francis Street and up the length of St Francis Street where it turns towards Humansdorp at the Fountains Mall.

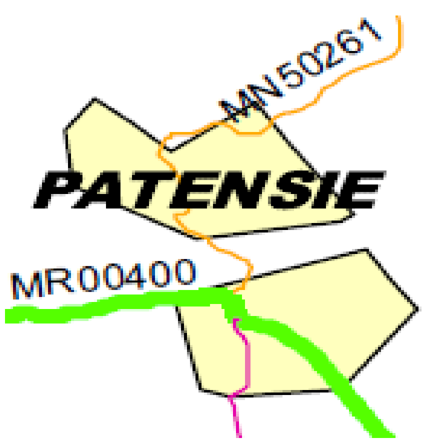
Provincial Road DR 0177 links the Fountain Mall to Provincial Road MR00389 at Kabeljouws

Provincial road MR 00392 links the Fountains Mall to the N2

Provincial Road MR00389 enters Humansdorp from the east and runs the length of Voortrekker Road where MR00389 ends at the intersection with Main Road. From the Main Road Voortrekker Road Intersection TR04403 continues in westerly direction as Voortrekker Road. MR00391 from Hankey enters Humansdorp and runs for the full length of Main Road up to Park Street intersection. MR 00381 from St Francis Bay enters Humansdorp and runs the full length of Park Street up to where it intersects with Voortrekker Road (TR0443).



Provincial Road MR00391 from Humansdorp enters Hankey and forms Main Street up to the intersection with Metlerkamp Street. MR0040 runs the full length of Metlerkamp Street and continues to Patensie.



Provincial Road MR0040 runs the full length of Fred Street. MN50261 runs from the Fred Street turn off to Cyril Ramaphosa as Tier Street to the point where it becomes Stuurman Street up to the intersection with Kloofnek Street.

Backlogs

The construction and surfacing of gravel roads (backlog) is approximately 87, 5 km. It is anticipated that an estimated amount of R 380million will be required for the elimination of this backlog. For the 2018/19 financial year, no capital funding was allocated for the construction of new roads or tarring of gravel roads or the upgrading and/or provision of storm water infrastructure.

Infrastructure and Engineering: Overall Service Delivery Backlogs: Formal residential areas

Basic service delivery area	**30 June 2018**			**30 June 2019**		
Water						
Water backlogs (6Kl/month)	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (no. households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total household identified as backlog/total number of households in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R50 460	NIL	NIL	R53 488	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R160 736	NIL	NIL	R170 380	NIL	NIL
Total spending to eliminate backlogs	R202 098	NIL	NIL	R214 223	NIL	NIL
Spending on maintenance to ensure no new backlogs	R13 006	R4 007	R4007	R13 786	R4 230	R 4 230
Sanitation backlogs						
Backlogs to be eliminated (number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as	NIL	NIL	NIL	NIL	NIL	NIL

Basic service delivery area	30 June 2018			30 June 2019		
backlog/total number of households in the municipality						
Spending on new infrastructure to eliminate backlogs	R253 812	R23 778	R 23 778	R269 040	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R141 576	NIL	NIL	R150 070	R27 055	R27 055
Total spending to eliminate backlogs	R395 387	R23 778	R23 778	R419 119	R27 055	R27 055
Spending on maintenance to ensure no new backlogs	R8 551	R5 279	R5 279	R9 064	R5 340	R5 340
Road maintenance backlogs						
Backlogs to be eliminated number of households not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total households identified as backlog/total number of households in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs	R465 395	NIL	NIL	R493 318	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R347 208	NIL	NIL	R368 040	NIL	NIL
Total spending to eliminate backlogs	R812 603	NIL	NIL	R861 359	NIL	NIL
Spending on maintenance to ensure no new backlogs	R14 994	R4 950	R4 950	R15 894	R9 469	R9 469

3.5 MUNICIPAL INFRASTRUCTURE GRANT IMPLEMENTATION

This report outline how Kouga Municipality effectively and efficiently managed the PMU, as required in terms of the MIG Policy Framework.

The Municipality confirms that the operational outcomes of the PMU did:

- Acknowledge and adhere to all aspects including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document.
- Ensure adherence to the Labour Intensive objectives as detailed in the Expanded Public Works Framework Document and the Code of Good Practice for Special Public works.

Background

The programme is entering its fourteenth year of implementation this year. The MIG is the municipal funding arrangement which combined the existing capital grants for municipal infrastructure into a single consolidated grant.

Since the program is aimed at subsidizing capital costs to the poor, priority was given to meeting the basic infrastructure needs. The programme was also aligned to cater for bulk infrastructure for new housing developments.

	2018/2019	2019/2020	2020/2021
Approved Budget Amount	R31 186 000.00	R37 996 000.00	R33 386 000.00
Adjusted Budget Amount	R0.00		
Spent Budget Amount	R31 186 000.00		
Difference	R0.00		

Part 1: Progress to date

All aspects contained within the business plan including all principles, objectives, sector conditions and outcomes contained within the MIG Guideline Document and the MIG Policy Framework Document were adhere to.

The following positions as per the "Guide for the Establishment of a Project Management Unit (PMU) by municipalities" were filled to perform the different functions within the unit;

- PMU Manager (Full-Time)
- PMU Technician (Intern)
- PMU Administrator (Full-Time)
- Account (Part-Time)

- Secretary (Part-Time)
- Data Capturer (Full-Time)

It should be noted that not all operational responsibilities/outputs as highlighted in the guide could be achieved.

The PMU shares a building with the Infrastructure Planning and Development Directorate which enable good communication and therefore providing assistance in terms of identification, co-ordination, implementation and supervision of projects.
Staff, where possible are regularly attending workshops and training to empower them in executing their roles and responsibilities.

There are regular communications between the PMU, Area Engineers and the Manager: Technical Services to discuss strategies on how to improve this unit to fasten service delivery.

Part 2: Monitoring

The PMU meet monthly with the Area Engineers and Director to capture the statistics of services rendered in term of backlogs per area.

Data forms part of the KPI of the Directorate: Infrastructure and Engineering in terms of targets for the directorate.
Monthly and Quarterly reports are given to council on statistics and performance.

Part 3: What are the results and who benefited?

Project Description	Beneficiaries (h/h)	Job Creation	Informal Training	SMME's Utilized
*Upgrading of the St Francis Bay Wastewater Treatment Works	2 000	20	20	0
*Upgrading/Improvement of Sport Facilities within Kouga region – Pellsrus	22 500**	25	15	0

*Project under construction.
**Entire Kouga population has access to the facility

The above table illustrates the projects implemented during the 2018/19 financial year and projects where construction commenced during the 2018/2019 financial year which are only due for completion in ensuing years. The figures reflected above are at the time of the report and will increase as the project progress.

Objectives as set out in the business plans were mostly achieved when projects were implemented.

Conclusions

The MIG programme is aimed at the following:

- To provide a basic level of service to the people;
- To target the poor and alleviate poverty;

Implementation costs can be justified, and many people benefited from the program and their living conditions were directly and indirectly improved by providing them sufficient bulk infrastructure to continuously assure them at least the basic level of service.

Every different department within the municipality are assisting when the project falls within their respective departments by helping with reporting, liaising with the communities, etc.

All activities of this programme should continue because it is assisting the municipality with huge bulk infrastructure challenges and provide basic service delivery to the community.

3.6 EXTENDED PUBLIC WORKS PROGRAMME

Kouga Municipality entered into an agreement with the Department of Roads and Public Works to spend the full integrated grant funding and creating the targeted FTE's.

This effort is in compliance with clause 3.1.6 of the Protocol Agreement signed between the Minister responsible for Public Works, The MEC of Roads And Public Works, Eastern Cape, the Mayor of Kouga Local Municipality, to specify the institutional structures that will oversee, monitor and report on progress in implementing the EPWP and achieving the EPWP targets; and 3.1.7, to provide for mutual assistance and support in respect of the programmes and initiatives of the EPWP.

The total grant received by Kouga Local Municipality in the 2018/ 2019 financial year was R1,013,000.00 which has been spend on 8 Incentive Grant Projects, as submitted in the 2018/19 Business Plan.

1. NON-FINANCIALS

2.1 Non- Financials

In total, Kouga Local Municipality managed to create the following number of work opportunities in the 1st, 2nd, 3rd and 4th quarters of the 2018/2019 financial year.

Quarters	No of projects reported	FTE	No of work opportunities created
1 (July – September 2018)	13	6	54
2 (October – December 2018)	16	13	111
3 (January – March 2019)	18	30	194
4 (April – June 2019)	(-)	(-)	(-)

2. FINANCIALS

The total amount transferred to Kouga Municipality amounts to R 1,013,000.00, and was distributed in 3 tranches as follows:

- September – R255 000.00
- December – R455 000.00
- February – R303 000.00

Spending Schedule:

The Expanded Public Works Programme Incentive Grant Funds received for the 2018/19 financial year were spent as follows:

MONTH	AMOUNT
July 2018	R109 316.00
August 2018	R123 315.00
September 2018	R 98 917.00
October 2018	R119 262.00
November 2018	R100 365.00
December 2018	R341 486.00
January 2019	R120 339.00
February 2019	R0.00
March 2019	R0.00
April 2019	R0.00
May 2019	R0.00
June 2019	R0.00

Total Amount spend from integrated grant - R1,013,000 (100% expenditure rate).

3.7 MUNICIPAL WORKSHOP

Vision

Our vision is no longer just on repairing vehicles but providing the Kouga Municipality with a wide range of expertise to ensure that proper and correct type of vehicles are procured and used for specific functions which it is meant for. It is our vision to build new vehicle parks throughout the Kouga region which is guarded 24/7 to ensure safe keeping and to prevent theft of vehicles, fuel, batteries and other equipment. It is also our vision to establish a new properly equipped workshop facility with a spray-painting booth section and enough space to efficiently repair all types of vehicles.

Mission

It is the Fleet Departments' responsibility to suitably enforce the Fleet Policy and to ensure that misuse and negligent behaviour from municipal drivers and workers towards the fleet shall not be tolerated, it is also the fleet department function to ensure that Kouga Municipality fleet is always kept in a proper running condition as to ensure excellent service delivery to be rendered towards the community.

Prevention

The Kouga fleet section aims to deliver or reduce incidents or severity of emergencies and accidents with Council vehicles to a minimum by proper maintenance, service and fault repairs on all vehicles. Annual inspections are done by sending vehicles for Certificate of Fitness (COF) as well as ensuring the vehicles are serviced on regular intervals as per SANS 10090: 2003 requirements.

Preparedness

The sixteen (16) employees strive to do their utmost best towards the service and up keeping of Kouga Municipality's fleet and yellow plant. Our day to day service helps to keep the one hundred and seventy five (175) vehicles in a proper running condition so that in the event of an emergency, there will always be enough vehicles in a proper roadworthy condition. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve personal safety of workshop staff

- Improve municipal drivers' knowledge regarding the Fleet Management Policy by road shows
- Improve OHS standards on the premises
- Improve training levels of workshop technicians

Key Challenges

- Upgrading the workshop to a higher level of proficiency by sending staff on training courses.
- All mechanical staff needs to be sent for a refresher course.
- To purchase two new vehicles for the workshop.
- To erect proper vehicle parks in Hankey, Patensie and Humansdorp.

Recommended Solutions

Adequate budget needs to be made available for the upgrading of infrastructure and the staff component in the fleet section. With the reallocation of the Fleet Section to Infrastructure and Engineering only two administrative employees were transferred with the function which is insufficient to perform the daily administrative duties attached to the Fleet Section and consideration must be given to appoint additional staff.

Legal requirements

In terms of Section 84(1) (j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the Kouga Municipality is responsible for the functions mentioned below:

- Coordination of the standardisation of infrastructure, vehicles, equipment and Procedures;
- Training of mechanical technicians.

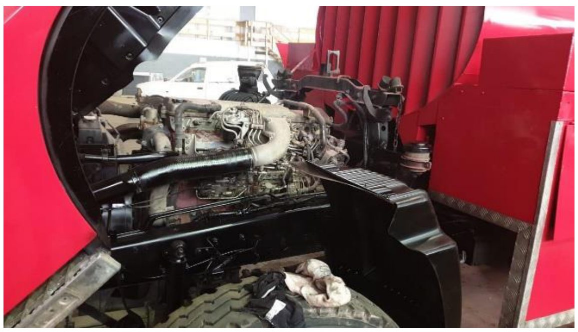
Daily operations.

During 2018/2019 this service responded to a total of **2367** incidents, which includes servicing and repairing of vehicles, repairing COF faults and doing preventative maintenance.

Mechanical repairs
Below are random pictures to show what type of work are been done in the workshop.

Removing a gearbox for repairs

All types of welding work is done in the workshop.



Servicing and repairing of all truck engines.

Rebuilding of old worn engines.

Unscheduled inspections are done on a regular basis in all the towns of the Kouga Municipality, to see if the drivers adhere to the fleet policy of the Council on a daily basis.

Two high pressure cleaners have been purchased, one for Jeffreysbay and one for the refuse site at Humansdorp so that the drivers can clean the trucks and yellow plant.

Refurbishment and upgrading of the Kouga Fleet.

Some of the Municipal vehicles were in a bad state due to worn engines and badly rusted bodies, and either had to be replaced or refurbished. The fleet section took it upon them to start refurbishing the badly rusted bodies of the vehicles at a fraction of the cost to purchase new vehicles, below is a list of the vehicles that were refurbished.

MONTH OF REFURBUSHMENT	TYPE OF VEHICLE	REGESTRATION NUMBER	DIRECTORATE
AUGUST 2018	L.D.V	DYH 607 EC	I & E
	L.D.V	CYK 569 EC	I & E
	L.D.V	DYH 597 EC	I & E
OCTOBER 2018	FIRE TANKER	BLH 197 EC	COMMUNITY SERVICES
	L.D.V	DCT 009 EC	I & E
	3 TON TRUCK	BHD 154 EC	COMMUNITY SERVICES
NOVEMBER 2018	TRAILOR	DWY 190 EC	COMMUNITY SERVICES
	L.D.V	FKM 518 EC	COMMUNITY SERVICES
	L.D.V	DYR 508 EC	I & E
	SEWERAGE TANKER	DXM 912 EC	I & E
DECEMBER 2018	CORSA L.D.V	FJC534 EC	COMMUNITY SERVICES
JANUARY 2019	L.D.V	FKD 173 EC	I & E
	FIRE TANKER	DVS 430 EC	COMMUNITY SERVICES
FEBRUARY 2019	L.D.V	FKD135 EC	I & E
	L.D.V	FKM 532 EC	COMMUNITY SERVICES
	L.D. V	FKM 547 EC	COMMUNITY SERVICES
	L.D.V	DTB 657 EC	I & E
	L.D.V	DHY 604 EC	I & E
	ISUZU SEWERAGE TANKER	CKG 231 EC	I & E
MARH 2019	L.D.V	FKM 553 EC	COMMUNITY SERVICES
	L.D.V	DTB 662 EC	I & E
	L.D.V	DYH 595 EC	I & E
APRIL 2019	L.D.V	DYH 588 EC	I&E
	L.D.V	FKM 543 EC	COMMUNITY SERVICES
	Trailer	DWY198 EC	COMMUNITY SERVICES
MAY 2019	SEDAN	DTD 514 EC	CORPORATE SERVICES

	L.D.V	DHY 582 EC	I & E
JUNE 2019	CHERRY PICKER	BHD 162 EC	I & E
	CANOPY REPAIRE	FKM 518 EC	COMMUNITY SERVICES
TOTAL		**29 VEHICLES**	

Below are some pictures indicating in what condition the vehicles were before refurbishment and after completion.

Fuel usage for vehicles and small plant

Total amount of litres purchased	**2017/18**	**2018/19**
	498,176.16 L	514,614.15 L
Cost of fuel purchased	R6,716,606.33	R7,758,365.68

TYRES PROCURED FROM MUNICIPAL STORES = 734 new tires were procured.

License expenses for 2018 - 2019

MONTH	AMOUNT
JULY 2018	R44,418.00
AUGUST 2018	R23,087.00
SEPTEMBER 2018	R94,728.00
OCTOBER 2018	R146,909.00
NOVEMBER 2018	R74,460.00
DECEMBER 2018	R7,186.00
JANUARY 2019	R10,770.00
FEBRUARY 2019	R21,789.00
MARCH 2019	R13,598.00
APRIL 2019	R51,750.00
MAY 2019	R50,226.00
JUNE 2019	R33,648.00
TOTAL	**R 572 569.00**

VEHICLES TO BE WRITTEN OFF

The following vehicles must be auctioned off, the vehicles are old and in bad condition and not in a state of economical repair.

REG. NUMBER	TYPE OF VEHICLE	REASON TO BE WRITTEN OFF
DXC 542 EC	KOMATSHU TLB	Blown Engine
DTB 664 EC	FORD L.D.V	Accident damaged
CGT 410 EC	TOYOTA L.D.V	Engine blown, body bad.
BWJ 588 EC	NISSAN SENTRA	Badly rusted and faulty engine.
BJX 931 EC	ISUZU L.D.V	Engine blown, body bad.
FKB 678 EC	CHEV CRUSE	Blown Engine.
BPH 856 EC	FORD COURRIER	Engine, gearbox and body.

TRAINING AND DEVELOPMENT

The Kouga Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation.

No training is currently provided for mechanical technicians and this department relies on the Skills Development Department for training. All training must be funded by Kouga Municipality

Training courses attended during 2018/2019 financial year.

Number of staff trained 2018/2019	Course	Where trained	Funded by who
Two	CPMD	Jeffrey's Bay	Kouga Municipality
Two	Excel	Jeffrey's Bay	Kouga Municipality
One	First responder	Jeffrey's Bay	Kouga Municipality

2018/2019 Departmental Achievements:

- Installation of electrical motor at gate in Jeffreys Bay municipal yard for better access control.
- Repaired water supply to wash bay facility for trucks in Jeffreys Bay municipal yard.
- Installed 15 cameras in fleet section [admin offices and workshop area].
- Procured 3 [three] traffic vehicles [2x l.d.v and 1x sedan]
- Office furniture procured for admin offices.
- New tiles in fleet reception area and passage.
- 2 x new laptops procured for the admin officer and workshop clerk.
- Upgrading of store facility in Jeffreys Bay Municipal yard

DIRECTORATE: COMMUNITY SERVICES

3.8 ENVIRONMENTAL MANAGEMENT: WASTE MANAGEMENT

The Department Waste and Environmental Management includes all activities relating to integrated waste management and control of landfill sites, illegal dumping, environmental health, waste minimization, coastal and environmental related management programmes.

3.8.1 WASTE MANAGEMENT

The function includes the following activities:

Municipal services

Kouga Municipality mandated services.

In terms of the Constitution the Municipality has the sole mandate to collect domestic waste from residents and this is paid for through tariffs. Residents cannot choose to use other service providers for domestic waste collection.

- Collection and disposal of domestic and commercial business waste;
- Street cleaning: general area cleaning;
- Management of litter bins;
- Collection of illegally dumped waste;
- Operation of drop off centres;
- Operation and management of landfill sites;
- Cleaning of informal settlements;
- Recycling activities;

- Waste awareness and education

The strategic objective of the Waste and Environmental Management section is that all the communities of Kouga Municipality live in a clean and healthy environment that is maintained and managed in a sustainable manner.

Kouga Municipality's Waste and Environmental Management department's approach to changing course is informed by the Integrated Development Plan (IDP) paradigm and Service Delivery and Budget Implementation Plan (SDBIP), which responds to the global, national and regional challenges of climate change, resource constraints, the triple challenge of poverty, unemployment, and inequality, as well as improving the overall governance and compliance environment in the municipality. This changing course requires increased focus on activities that will lead to waste minimization and waste diverted away from landfill sites. It focuses on improved modes of collection, infrastructure, recycling and production partnerships and aims to change behavior and create awareness.

In order to align with IDP, SDBIP and the Polokwane Declaration of zero waste to landfill sites, Kouga Municipality's Waste and Environmental Management department is changing its approach to waste management. A paradigm shift is needed to understand that waste is not "rubbish", but a resource or a raw material. This requires a '*full cycle*' approach to waste management, with waste products becoming input materials to other value chains.

Kouga Municipality's Waste and Environmental Management department will take leadership in changing course, however, the public's participation in waste minimization initiatives is key to the programme's success. Kouga Municipality's Waste and Environmental Management department will commit to implementing separation at source projects across Kouga Municipality area, however, communities will also need to be mobilized to sort waste at a household level in order to reduce waste. Kouga Municipality's Environmental Management department are in the process of developing the following tactical points in order to commence the changing course programme:

- Do away with the culture of abundance - change the way we do things within the constraints of limited resources.
- Increase productivity – doing more with less and managing our resources effectively, including landfill airspace, human capital, budget, and others.
- Develop measurable output indicators, aligned to IDP outcomes.
- Utilise an integrated approach to ensure co-ordination of programmes and to work towards greater impact, working with all departments within Kouga Municipality with various responsibilities.
- Develop ward by ward, based remodeling programme, in order to align with the changing course.

Key issues for 2018/19

The waste management section identified several challenges that is impacting on service delivery and interventions that will be implemented during the next 12 months:

- Rapidly growing population
- Growing per capita waste disposal from rising income and consumption levels
- Pervasive throw away culture of disposal and illegal dumping
- Aged fleet with high reliance on 3rd party vehicle hiring
- Broader development imperatives with financial implications

It is necessary to determine the quantities and the types of waste generated in each ward. This involves establishing the current quantities of waste generated, recycled, treated and disposed of. Waste quantities are usually measured by mass (kilograms or tons).

The generation rates were broken down into generation rates per income category as follows:

- Low income= 0.41kg/per person/day or (0.41kgx365 days) = 149.65kg/person/year
- Middle income=0.74kg/per person/day or (0.74kgx 365days) = 270.1kg/person/year
- High income= 1.29kg/person/day or (1.29kgx365days) = 470.85kg/person/year

Households play a key role in waste management as waste generators. Unemployment rate, role and working conditions of waste pickers on landfills and streets, legislation on waste disposal and landfill management are all signals for a need to change the current waste management system.

Household's perceptions are key to the realisation of an integrated waste management system. A system where waste pickers can play a major role of recycling effectively and efficiently within the formal waste management system. An integrated waste management system could create employment and support entrepreneurial initiatives. Household's role in an integrated waste management system will not only be limited to waste generation but will extend to waste management.

Achievements 2018/19:

- Kouga Municipality appointed a service provider for recycling for landfills, drop off sites and business waste recycling.
- "Keep Kouga Clean" Campaign was launched in Sea Vista on 4 April 2019. The purpose of the campaign is to clean streets of Sea Vista and educate the community on benefits of a clean environment. Community Services rolled out the campaign and all the Directorates within community services played a role in Keeping Kouga Clean. The Mayoral Committee and Councillors participated in the launch. A total of 38 Grade 7 learners from Sea Vista Primary School and

two teachers were involved in the litter picking and cleaning activities. Community Works Programme beneficiary (CWP) availed 30 participants to join the clean-up campaign and 18 Kouga Municipality Extended Public Works Programme (EPWP) beneficiaries took part in the program.

- The second "Keep Kouga Clean" programme was held in Jeffreys Bay on 31 May 2019. Residents, businesses and stakeholder groups joined municipal workers and CWP teams from across Kouga for a massive Jeffreys Bay town and beach clean-up. It was the first time that a clean-up of this magnitude was held, with the town and entire beachfront receiving attention.
- The Department launched the roll out of 240l wheelie bins in Hankey on 27 February 2019 and the rollout of the wheelie bins continued in Patensie, Loerie and Thornhill. The Mayor and the Mayoral Committee attended the wheelie bin launch. A 240l wheelie bin policy has been developed and covers the use and delivery of 240l bins to communities. One compactor truck has been fitted with lifting mechanisms and plans are in place to add lifting mechanisms to a second truck.

- Refurbishment of Community Services waste management fleet – fleet were spray painted and branded with the "Keep Kouga Clean" logo.

- A new entrance and weighbridge to the Humansdorp Landfill site was constructed.

- During 18/19 financial year the department went on an education and clean up drive by employing 120 Extended Public Works Programme beneficiaries and hired in 3 TLB's and 3 Tipper trucks to deal with backlogs at illegal dumping sites.

- The Community Services Department works closely with the Jeffreys Bay "Dorp van Drome/Town of Dreams", a civic organisation without a political agenda that strives to beautify Jeffrey's Bay through a project driven approach. Together we want to make Jeffreys Bay a town that we are proud of, where all inhabitants have self-respect and where everyone that is not yet living here, aspire to live in. The Dreams must be attained within a specific time frame and tackled in phases. The Dreamers get together on Thursday's and all residents and departments are welcome to join and assist to make the dream come true.

Figure 4: "Dromers" hard at work

Challenges

- Non-compliance of Landfill Sites due to waste pickers and stray animals on site.
- Ongoing littering and illegal dumping in streets, open spaces and informal areas.

Solutions

- Resource and waste picker/reclaimer management on landfill sites. Improve security on site and register all waste pickers.
- Skip trucks and TLB's for the control of illegal dumping has been hired and Community Works Programme beneficiaries assisting with litter picking around dumping sites.
- Improve waste minimization by introducing waste recycling and awareness programmes and increase recycling rates.

3.8.1.1 REFUSE COLLECTION

Overview

The planning, control and alignment of all refuse collection and transportation services that provides for specific waste management measures, will be aligned to the norms and standards in terms of the Waste Management Act and Integrated Waste Management Plan.

Strategic objectives

That communities enjoy a clean and healthy environment that is managed and maintained in a sustainable manner.

Description of activities

The refuse collection functions of the municipality are administered as follows:

- Waste Avoidance
- Waste Stream Composition
- Waste Characterisation Results
- Domestic and Commercial Refuse Removal

The table below indicates areas serviced once a week, by Kouga Municipality.

Table 2: Areas serviced for round collected refuse

Jeffrey's Bay	Humansdorp
Aston Bay	Kwanomzamo
Pellsrus	Vaal dam
Paradise Beach	Arcadia
St Francis Bay	Loerie
Cape St Francis	Thornhill
Oyster Bay	Pola Park
Hankey	Shukushukuma
Patensie	

Residential areas, both formal and informal in the larger towns (Humansdorp) are serviced twice weekly and the other towns (Jeffreys Bay, Hankey, Patensie, St Francis, Cape St Francis, Oyster Bay, Loerie, Thornhill) are serviced once a week.

Refuse Collection is done 3 times a week at all commercial businesses. The tables 3 and 4 respectively below indicates number of service points per category and equipment used for Round Collected Refuse (RCR).

Table 3: Waste collection service points

CONSUMERS SERVICED	2016/17	2017/18	2018/2019
Total Number of Businesses	1 106	1 106	1 246
Total Number of formal households	22 130	29 641	30 032
Total Number of informal settlement households	3 990	7 939	9 779
Total Number of backyard dwellers	3 977	3 977	4 122
Total Number of Flats	223	223	242

Table 4: Equipment for Round Collected Refuse (RCR) Collection

AREA SERVICED	2018/2019 EQUIPMENT
Jeffreys Bay	3 x Compactor Trucks- 1 with 240L bin lifting mechanism 1 x 3 Ton Truck 1 X Skip Trucks
Humansdorp	2 x Compactor Trucks
Gamtoos Valley	1 x Compactor Trucks
St Francis Bay	1 x Compactor Truck

TABLE 5: WEEKLY REFUSE REMOVAL PROGRAMME

DAY	VEHICLE REGISTRATION	REFUSE REMOVAL SCHEDULE: ST FRANCIS BAY
MONDAY	FMJ 516 EC	Phillipa Place to Otters Landing St Francis Bay and Cape St Francis (Business + Domestic)
TUESDAY	FMJ 516 EC	Shore Rd to Diana Crescent Assissi Drive to Lyme Rd (Domestic refuse)
WEDNESDAY	FMJ 516 EC	Cape St Francis St Francis Bay and Cape St Francis (Business + Domestic)
THURSDAY	FMJ 516 EC	Oyster Bay (Domestic, shops and Industrial area)

FRIDAY	FMJ 516 EC	Sea Vista domestic, businesses and Shops

DAY	**VEHICLE REGISTRATION**	**REFUSE REMOVAL SCHEDULE: GAMTOOS VALLEY**
MONDAY	CTW 361 EC	Patensie, Hankey, Weston (Business)
TUESDAY	CTW 361 EC	Gamtoos mouth, Thornhill, Crossways, Nulaid, Loerie (Business + Domestic).
WEDNESDAY	CTW 361 EC	Old Hankey, Phillipsville Ext 4, Rosedale, Plakkerskamp Domestic/Business
THURSDAY	CTW 361 EC	Patensie town, (Business + farms).
FRIDAY	CTW 361 EC	Ramaphosa village, Centerton

DAY	**VEHICLE REGISTRATION**	**REFUSE REMOVAL SCHEDULE: JEFFREYS BAY**
MONDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Beaufort Flats, Jeffreysrus, Paradise (Business + Domestic). Businesses. Caravan Parks + Businesses. All Parks along the beach, entrances, town and townships. Litter Picking bags.
TUESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest East, Old Town Domestic C/Place, Central town domestic Wavecrest East, Ferreiratown All Parks along the beach, entrances, town and townships. Litter Picking bags.
WEDNESDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Jeffreysrus, Oceanview (part) Domestic Business, Oceanview (part) Domestic Business, Caravan park, ilandvibe, supertubes All Parks along the beach, entrances, town and townships. Litter Picking bags.
THURSDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Wavecrest (part) Domestic Wavecrest (part) Domestic Wavecrest (part), Kabeljous Domestic All Parks along the beach, entrances, town and townships. Litter Picking bags.
FRIDAY	JBG 856 EC JBD 519 EC DWV 246 EC JBG 916 EC	Pellsrus (part), Tokyo Sexwale domestic Business, Mandela bay domestic Business, Caravan park, Pellsrus (part) All Parks along the beach, entrances, town and townships. Litter Picking bags.

DAY	VEHICLE REGISTRATION	REFUSE REMOVAL SCHEDULE: HUMANSDORP
MONDAY	FMX 511 EC BCX 587 EC	West side of Town, Melt Melville Business in Voortrekker weg, Panorama, Main Street, KynochKoelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan and Arcardia Shopping Centre
TUESDAY	FMX 511 EC BCX 587 EC	East side of town, Boskloof, Ambulance Boblok, Graslaagte, St Patrics SchoolPeP Stores, Mr Price, Mzingisi School, Lungiso, Trade Value, P.Z. Meyer Hospital, All Shops and Taverns in Kwnaomzamo and Moeras Rivier formal houses
WEDNESDAY	FMX 511 EC BCX 587 EC	Kwanomzamo, Main Street, Kekkel and Kraai, Old Mutual Building, EngineSpar, Kruisfontein School and Kruisfontein and Vaaldam household refuse
THURSDAY	FMX 511 EC BCX 587 EC	Maak n Laas, 7 de Laan, Drankenhoek, Gill Marcus, Johnson Ridge, Arcadia- Graslaagte School, ClinicKoelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan, Kooperasie, All Shops and Taverns in Kwnaomzamo and Arcardia Shopping Centre.Pola Park, Golf Course and Old Arcardia household refuse.
FRIDAY	FMX 511 EC BCX 587 EC	West Side of Town, Mat Mellville, Engine, Main Street, KynochEast of town and Spar, P. Z. Meyer Hospital and Arcardia Shopping Centre.

Business, Commercial and Other Waste Collection

Waste is collected from businesses weekly in all towns in Kouga Municipal area. Some of the main commercial centres in Humansdorp are serviced twice a week, because many of the businesses in these areas have limited space for waste storage.
Commercial businesses in Jeffreys Bay receives a collection three times a week.
Waste is removed from schools and retirement villages weekly and from the hospital in Humansdorp three times per week, excluding medical waste.

Complaints Management

In terms of the call centre all complaints are send to the 4 offices to which complaints are being submitted, either by telephone or in writing. Our turnaround time for refuse removal complaints, is that it must be resolved on the same day.
All complaints are recorded in a complaints book (duplicate) and given to the Superintendent and foremen for action. There is indeed an improvement in the complaints system and the turnaround time.
After the inception of the call centre there was an improvement in the management of the complaints system.

Challenges

- Replacing old refuse collection vehicles.
- There is no alignment between new developments and the refuse collection.

Solutions:

- Procurement or hiring of 3 new dual compactor trucks in the new financial year.
- That the refuse collection routes be reviewed on a continuous basis.

3.8.1.2 STREET CLEANING AND LITTER PICKING

Overview

The provision of cleansing services in the overall maintenance and cleansing program within the Kouga area.

Strategic objective

Communities live in a clean and healthy environment that is maintained and managed in a sustainable manner.

Cleansing and litter picking done regularly in all areas – towns entrances, township entrance, flush points and all illegal dumping areas.

Litter picking and street cleaning teams – Gamtoos Valley

Achievements

- Recycling Bins were distributed to schools, all Council Offices, Libraries, Halls and Caravan Parks
- Keep Kouga Clean Campaign/Awareness project by Council and Businesses.
- Adopt an Entrance Campaign.

Challenges

Continuous littering and dumping of waste by communities.

Solutions

- Developing of new by-laws concerning littering and dumping that introduce harsh penalties to offenders.
- Law-enforcement officials be equipped to ensure compliance with all waste related legislation and regulations.
- Accreditation for staff to be peace officers.
- That 240L wheelie bins forms part of new housing development plans.
- Reducing number of black bags to communities.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.9 LIBRARIES, MUSEUMS AND COMMUNITY FACITLITIES

3.9.1 LIBRARIES

Overview

Kouga Municipality Libraries provide the community of Kouga with access to educational, informational and recreational material in general or for specific users regardless of race, gender, age, language, financial or educational status.

- Collection, development and management,
- Development, promotion and maintenance of a reading culture through delivering of programmes

- Ongoing research, planning, monitoring and evaluation to improve service delivery,

Strategic objective

- To ensure that the communities of Kouga have access to facilities and resources that libraries offer;
- To develop skills, preserve and conserve their culture and natural heritage;
- Provision of a safe and free library service for reading and learning;
- Provision of a free and guided access to knowledge and information to support formal and informal education.

Annual performance as per key performance as per key indicators in Library services

Description of the Activity and Analysis of the Function	Libraries	No. of Facilities 2016/17	Actual 2016/17	Actual 2017/18	Actual 2018/19
Library Facilities and Infrastructure	Library facilities The Sea Vista Library was officially opened on the 16th of April 2019 The building of ablution facilities in Weston Library	13	13	13	14
Book Circulation	Lending out books, magazines, newspapers, Photocopy services, Free internet access, Outreach programmes.		151155 (No. of Books issued)	155 059	148 594
Library Users	The number of people who used and visited the libraries		288 239	256 599	324 700

Library Services	Library assistants were appointed on 6 months contract for the new Sea Vista Library				2
Programmes & Activities	July School Holiday Literacy Week in September Girl Talk in October Spelling Bee in November Christmas Holiday Program Back to School Program in Jan Library Week in February World Play Day May. Youth Talk in June			All Libraries	All Libraries

Challenges

- Phillipsville & Ramaphosa Libraries still using pre – paid electricity
- Internet Services for the public.

Possible Solutions

- The Information and Communication Technology Department is busy with the roll out of internet services for the public
- To facilitate the installation of conventional electricity by Infrastructure Department (IPD)

Achievements

- Opening of the Sea Vista Library
- The tender advert for the appointment of the service provider for the extension of the Jeffreys Bay library is out.
- Alarm system was installed in all libraries.

LIBRARY INFORMATION SERVICES STATUS QUO

Library name	Email address	Computers for staff	Computers for public
Hankey South Library	hankeysouthlibrary@kouga.gov.za	1	1
Hankey North Library	hankeynorthlibrary@kouga.gov.za	1	1
N. B Mathodlana	nbmathodlanalibrary@kouga.gov.za	1	0
7de Laan Library	7delaanlibrary@kouga.gov.za	1	2
Humansdorp Library	humansdorplibrary@kouga.gov.za	1	2
Kruisfontein Library	kruisfonteinlibrary@kouga.gov.za	1	2
Ukhanyiso Library	ukhanyisolibrary@kouga.gov.za	1	2

Library name	Email address	Computers for staff	Computers for public
Jeffreys Bay Library	jeffreysbaylibrary@kouga.gov.za	2	2
Tokyo Sexwale	tokyosexwalelibrary@kouga.gov.za	0	0
Loerie Library	loerielibrary@kouga.gov.za	1	4
Mbuyiseli Nkosinkulu Library	mbuyiselinkosinkululibrary@kouga.gov.za	1	3
Patensie Library	patensielibrary@kouga.gov.za	1	5
Thornhill Library	thornhilllibrary@kouga.gov.za	1	3
Sea Vista Library	seavistacommunitylibrary@kouga.gov.za	2	14

Helpdesk Computers and Network
Out of fourteen libraries of Kouga Local Municipality, the computers and network connections of eleven are fully operational. Thornhill and Sea Vista Libraries both have working computers but no network connection.
Printers
Thirteen libraries have a working printer installed where the library assistant can make copies. The only libraries that cannot print are Thornhill and Sea Vista Libraries. This function of printing should be enabled once the network has been installed.

Telephones
Ten Libraries have working telephones. It is only Ukhanyiso, Thornhill, Tokyo Sexwale, and Sea Vista Libraries that have no telephones.

Play Day: 17 May 2019

Opening of Sea Vista Library:

16 April 2019

Youth Talk: June 2019

Women's day display in 7nde Laan library August 2018

Humansdorp Library Spelling Bee:

1 - 30 November 2019

Thornhill and Loerie Spelling Bee

Jeffreys Bay and Tokyo Spelling Bee

Book donations by Jeffreys Bay Friends of the Library in August 2018

3.9.2 PARKS AND OPEN SPACES

Overview

The establishment and maintenance of public open spaces within the Kouga area.

Strategic objective

The Communities have access to Public Open Spaces and Gardens which are well managed and maintained.

Description of activities

- Mowing of Grass (Verges, Picnic Areas, Public Open Spaces, Play Parks, Municipal installations and offices)
- Alien Vegetation/ Bush Clearing.
- Removal of debris.
- Beautification of open spaces, gardens and entrances.
- Development of new play parks.
- Planting, Trimming and felling of trees.

Key challenges

- There is only one team performing bush clearing in the whole of Kouga.
- Funding of EPWPs for the last quarter (April – June 2019) was depleted before the end of the financial year creating a gap in service delivery.

Recommended Solutions:

- Proper planning through the development of comprehensive plans for EPWP Projects.
- Council is in the process of exploring more strategies in dealing with Bush / Plot Clearing for example making use of private contractors / SMME's.

Achievements

- 4 Pole pruners, 3 kudus and 6 side cutters were procured during 2018/19 financial year.
- More than 30 Public open spaces were cleared during the 2018/19 financial year

3.9.3 CEMETERIES

Overview

The identification of land, planning and co-ordination of all cemetery management activities throughout the Kouga (15 cemeteries).

Strategic objective

Communities to have access to affordable and adequate cemetery services.

Description of activities

- Identification and application for new cemeteries
- Maintenance of existing cemeteries
- Digging, trimming and closing of graves
- Cleaning and beautification of cemeteries
- Cleansing of public amenities at cemeteries
- Administration and maintenance of; The Wall of Remembrance

Challenges

- Most cemeteries have reached full capacity.
- There is no dedicated team to provide the maintenance service at all the cemeteries.
- No proper fencing at cemeteries.

Solutions:

- Service Provider was appointed to conduct the EIA process in order to establish new cemeteries which will also result in the development of the Cemetery Master Plan
- Funding will be considered for fencing in the new financial year.
- Council is currently making use of SMME's for the cleaning and upkeeping of the existing cemeteries.

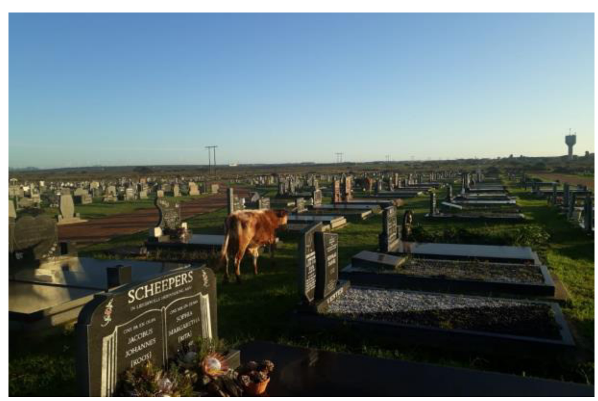
Status Quo of Cemeteries

AREA	WARD	BURIALS PER YEAR 2018/19	EXISTING SPACE	LIFE SPAN	POTENTIAL EXPANSION
Humansdorp					
Town	15	185	41 graves	12 months	None
Kwanomzamo	6	87	674 graves	5 years	Extension was done on council land adjacent to the cemetery for 966 graves.
Graslaagte	15	0	Full	None	None
Jeugkamp	4	0	Full	None	None
Jeffreys Bay					
C-Place	11	119	567 graves	2 years	Extension was done on council land adjacent to the cemetery.
Dr BB Keet	8	0	Full	None	None
Pellsrus Duine Weg	2	0	Full	None	None
Pellsrus Roman street	2	0	Full	None	None
Hankey					
Centerton	9	114	No space available	4 months	Erf 17 Commonage – adjacent to Hankey Cemetery
Town	9	15	68 graves	4 years	Erf 17 Commonage – adjacent to Hankey Cemetery
Weston	13	11	39 sites	8 years	Church land
PATENSIE					
Ramaphosa	10	0	full	0	Extension was done on a farm for the people of Patensie and surrounding farms.
Town	10	77	99	2 years	Erf 300
THORNHILL					
Private Land	7	29	113 extra space was given by Farm owner	None	No Municipal Land, busy with EIA.
LOERIE					
Loerieheuwel	7	35	26 graves	3 years	Explore new Cemetery

Achievements

- Cleaning of nine Cemeteries by SMMEs.
- Fencing and cleaning of Duine road cemetery through Local Economic Development Department.

Patensie Cemetery



C-Place Cemetery

COMPONENT E: ENVIRONMENTAL PROTECTION

3.11 ENVIRONMENTAL MANAGEMENT

Overview

Environmental resource management is the management of the interaction and impact of human societies on the environment. It is not, as the phrase might suggest, the management of the environment itself. Environmental resources management aims to ensure that ecosystem services are protected and maintained for future human generations, and also maintain ecosystem integrity through considering ethical, economic, and scientific (ecological) variables. Environmental resource management tries to identify factors affected by conflicts that rise between meeting needs and protecting resources. It is thus linked to environmental protection, sustainability and integrated landscape management. Kouga Municipality strives to have zero impact on the environment throughout its operations.

3.11.1 ENVIRONMENTAL PROTECTION

Environmental protection is the practice of protecting the natural environment on an individual, organization and government level, for the benefit of both the environment and humans. Due to the pressure of overconsumption, population and technology, the biophysical environment is being degraded, sometimes permanently. This has been recognised, and government has started placing restraints on activities that cause environmental degradation.

Kouga Municipality landfill sites are licensed through the National Environmental Management: Waste Act of 2008 and Environmental Conservation Act of 1989 that set out the conditions which we must comply with in order to ensure that the environment is protected against any degradation or pollution. To comply with the set conditions and to ensure that there is minimal damage to the environment, legal compliance audits are conducted quarterly and annually by an independent auditor and on an ad-hoc basis by the licensing authorities. In addition, inspections are conducted on a monthly basis at waste drop off sites and landfill sites to monitor the level of compliance with the various statutory licenses and best environmental practices.

The department's strategy is premised on waste minimization to remedy and minimize the negative environmental impact caused by its operations to the environment and has appointed a recycling service provider. The recycling programme is aimed at socio-economic upliftment of communities as they are based on partnerships with the community. The implementation of the programme recovers recyclable material from drop off centres, commercial businesses and events.

The department is working closely with the National Job Opportunity programmes CWP and EPWP to create a clean environment for the residents of Kouga. Through this partnership we have successfully increased service delivery in all respective areas in Kouga. Illegal dumping sites are also cleared daily through joint initiatives.

Drop off Zones have been upgraded in Oyster bay, St Francis Bay and Jeffreys Bay. The municipality is also reopening the Paradise Beach Drop off zone which was closed after the floods.

The section is increasing its focus on partnerships and stakeholder involvement in order to change behavior and create awareness. During the year various successful events were held in collaboration with various partners including the "Keep Kouga Clean" campaigns in collaboration with the Mayor in some instances and special day events such as Mandela Day.

3.11.2 POLLUTION CONTROL

Sarah Baartman District Municipality has embarked on development of a District Wide Environmental Pollution Control plan and other environmental management strategies. Pollution Control is the process of reducing or eliminating the release of pollutants (contaminates, usually human – made) into the environment. It is regulated by various environmental agencies that establish limits for the discharge of pollutants into the air, water, and land. A wide variety of devices and systems have been developed to control air and water pollution and solid waste.

Air pollution control can be divided into two categories: the control of particulate emissions and the control of gaseous emissions.

Environmental Management and Environmental Health share this mandate due to the nature of contaminants that affect people and the environment. Pollution cases that have been reported were pertaining to sewage spills and illegal dumping have been referred to the relevant department. The department is also running environmental awareness campaign to address illegal dumping.

On June 5, 2019, Kouga Municipality joined Woodlands Dairy in celebrating World Environmental Day. The theme for 2019 was air pollution, our aim was to understand the impact of dairy farming on air pollution.

3.11.3 BIODIVERSITY PROTECTION

The functions of biodiversity reside with Department of Economic Development and Environmental Affairs as the municipality does not have capacity. The municipality supports the mission to conserve the rich biodiversity and promotes initiatives to proclaim protected areas in terms of NEM: Protected Areas Act while enhancing ecotourism through our nature reserves.

3.11.4 COASTAL MANAGEMENT

The District Municipality developed a Coastal Management Plan with a section for Kouga Municipality which will be adopted and implemented as the local coastal management plan during the year 2019/2020.

Oyster Bay – Dune Rehabilitation

In February 2019 the department commenced with the removal of sand which encroached on Brander Street and adjacent properties in Oyster Bay. A total of 85 000m^3 sand was moved during the operation.

Approximately 80% of the dunes overrunning Brander Street have been pushed back, except for one dune where the Black Oyster birds were nesting. The residents of Oyster Bay were pleased with the work that had been carried out. The maintenance of these dunes will remain a priority in the new financial year.

Figure 10: Oyster Bay dune removal

Figure 11: Brander street opening

Seekoei Estuary Management

The artificial breaching of the estuary mouth commenced on May 2019 after NEMA Section 30A application was approved by the East Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT). The opening of the estuary mouth was clearly successful with respect to objectives set. Prior to the operation, Seekoei Estuary had reached a stage when large-scale mortality of different biotic groups had occurred.

At the time of artificially opening the mouth, salt concentration had increased above 70% (twice the salt concentration of seawater). Artificially introducing seawater to the system provided immediate benefits to the system. Two residents were fishing on the lagoon and caught a Garrick of 2-3 kg's on the 3rd of June 2019.

Kouga Municipality lodged an application in 2018 for the Seekoei Estuary Management Plan and in June 2019 the DEDEAT approved the Seekoei Estuary Management Plan. Kouga Municipality is looking forward to implementing the recommendations of the Estuary Management plan and to keep the estuary well maintained and protected. The Estuary Management Plan can be obtained from Kouga Municipality's website.

St Francis Bay – Rock Revetment

During the 2018/19 financial year PRDW Consulting Port and Coastal Engineers were appointed for the construction of Rock Revetments on the St Francis Bay Spit/dunes to mitigate beach erosion.

Boat Launching

Kouga Municipality has applied to reopen the Paradise Beach and the Kromme River Boat launching sites in terms of the Integrated Coastal Management Act from the Department of Economic Development, Environmental Affairs and Tourism. Kouga Municipality in partnership with the Paradise Neighborhood Watch, Kromme Joint Trust has increased security in these areas with surveillance cameras and appointment of Peace Officers. Kouga Municipality was also invited to present these boat launching sites at the Provincial Coastal Technical Committee in Port Elizabeth. Kouga Municipality is currently awaiting the Gazetting of the Boat Launching sites by DEDEAT.

Working for the Coast Programme

The working for the coast programme played a crucial role in the cleaning and maintaining of our coastline covering an area of 92 km from Van Stadens up to Oyster Bay. The programme has appointed participants in all coastal wards and has trained them in areas such as alien vegetation clearing and dune rehabilitation.

3.12 ENVIRONMENTAL HEALTH

Service Delivery Strategy

To improve the health status of communities through the identification, evaluation and control of critical factors that affect the physical, social and mental well – being of communities.

Environmental Health Services are mainly preventive health services and are therefore largely protecting public health and preventing health hazards / risks and diseases.

Functions of Environmental Health Services

The functions of Environmental / Municipal Health Services for the Municipality are as follows:
- Water Quality Monitoring,
- Food Control,
- Health Surveillance of premises,
- Pauper Burials: attending to applications for exhumations and reburials,
- Surveillance and Prevention of Communicable Diseases,
- Vector Control,
- Environmental Pollution Control, attending to complaints and health nuisances,
- Inspections of Cemeteries, Mortuaries, and funeral undertakers' premises,
- Active Environmental Education Sessions and Awareness Campaigns / Programs,
- Business registration & hawker programs

The above functions as rendered by the Municipality excludes Port Health, Malaria Control and Hazardous Substances which are functions and competency of the Eastern Cape Department of Health.

Directorate Community Services: Annual performance as per key performance indicators in Environmental Health Services

Description of the Activity and Analysis of the Function	Environmental Health	2017/18 No. of Facilities	2017/18 No. of Visits	2018/19 No. of Facilities	2018/19 No. of Visits
Surveillance of premises	Inspection and evaluation of food premises, milk farms and other facilities to ensure compliance to all Health Regulations and to ensure that products sold to	795	2288	795	1984

	the public is fit for consumption				
Water Quality Monitoring	Water Quality Monitoring: Sampling of water for bacteriological and chemical analysis to ensure compliance with SANS 241 and to ensure that the water is fit for human consumption.	33 Sampling Points 12 x 33 Bacteriological 4 x 33 Chemical 30 x Failures	546	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 47 x Failures	637
Waste Management	Waste Management: identification of illegal dumping sites to ensure a clean and healthy environment.	54 Sites	216	23 Illegal dumping sites	136
Health Surveillance of Premises	Health Surveillance of Premises: Assessment of factors including ventilation, lighting, moisture and approval of building plans to ensure safety.	39 Building Plans	39	54 Building Plans	54
Surveillance & Prevention of communicable diseases	Surveillance & Prevention of communicable diseases: Health and hygiene promotion to prevent communicable diseases and disease outbreaks.		Ongoing as per visit to facilities	Ongoing as per visit to facilities	
Vector Control	Vector Control: Vector control of public health interest including the control of anthropoids, rodents and other alternative hosts of diseases.	8	8	42 Facilities (Municipal Buildings)	42
Environmental Pollution Control	Environmental Pollution Control: Identification of polluting agents and their sources to ensure hygienic working living and recreational environment, e.g. management of overgrown plots.	1204 Notices for Plot Clearing	Cleared by owners: 59	908 Notices for Plot Clearing	8 Cleared by Owners:

Disposal of the Dead	Disposal of the Dead: Manage, control and monitoring exhumations and reburial or disposal of human remains	17 Applications	17 Approved	11 Applications	11 Approved
Business Registration & Hawkers Programme	Business Registration & Hawkers Program: Registration of all new businesses in terms of the Business Act, including hawkers.	216 Applications	216 Approved (10 rejected)	231 Applications	231 Approved

World Environmental Health Day (WEHD)

A food safety and hygiene program for 29 caterers were held at the Newton Hall, Jeffreys Bay on the 26th of September 2018.

Food safety and hygiene is a discipline describing handling, preparation and storage of food in ways that will prevent foodborne illnesses. This includes several routines that should be followed to avoid potential health hazards and prevent harm to the consumers.

The main objective of the programme was to create awareness on food safety and hygiene procedures to be adopted by food handlers to ensure that safe meals are always served during events and any other programme where catering services are to be used. This was also aimed at ensuring that food handlers and caterers adopt and promote food safety requirements in the production, handling, storage and transportation of food that will contribute towards safe food for the public or persons catered for.

The caterers and food handlers were addressed on topics such as the following:

- Five keys to safer food
- Personal Hygiene
- Kitchen Hygiene
- Good and Bad Sanitation Practices
- Acceptable condition of equipment, utensils, cutlery & crockery used for catering
- Safe Food Storage Temperatures
- Certificate of Acceptability
- Sanitizing of equipment and utensils: when to sanitize
- Food poisoning chain, high risk areas & foodborne illnesses.

Animal Care Program (Dog dipping & deworming)

An animal care program, which includes dog dipping and deworming, is conducted biannually, for the entire Kouga municipal area. This year, it was conducted over the December 2018 and June 2019 school holiday period. The dog dipping and deworming is conducted in conjunction with the local SPCA, who goes into the respective areas to dip & deworm dogs & cats. A total number of 1052 of dogs and 25 cats were dipped & dewormed.

National Water Week

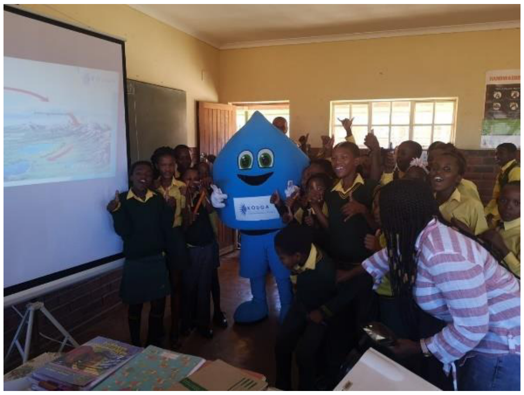
National Water Week 2019 Educational Program was conducted at twelve (12) primary schools (Grade 5 learners), during the month of February / March 2019 within the Kouga Municipal Area. National Water Week is an awareness campaign that aims to focus and highlight among other things the need to restore and preserve this precious resource i.e. water by respecting, saving and conserving i.e. using it sparingly as it is a limited resource. The table below shows schools reached with the program:

Schools visited during National Water Week

Masakane Primary School	Makukhanye Primary School
Vukani Intermediate School	Pellsrus Primary School
Pumlile Primary School	Sea Vista Primary School
Mondplaas Primary School	Sandwater Primary School
Kruisfontein Primary School	Mzingisi Primary School
St Patrick Primary School	Graslaagte Primary School

The purpose of this program was to educate Grade 5 learners on:

- The importance of water for human beings, plants, animals and the general environment in which people live in,
- Highlight how water and infrastructure are linked and how important they are to life,
- To protect and save water as it is scarce a and important source of life
- Highlight the crucial link between water and health with the objective of eradicating water-borne diseases like cholera, diarrhea etc.,
- To highlight the importance of protecting, rehabilitating and improving water environments such as streams, wetlands, waterways and beaches by adopting and cleaning dirty rivers, streams, wetlands or watersheds in our areas.



The main aim of the program was that all learners reached with the program can go back to their fellow learners and share with them what they have learned and thus becoming ambassadors for their schools and ultimately their homes and their communities. That each school will be encouraged to form School Health Committees within the school which will assist in addressing environmental health, health and other issues within their schools.

Nelson Mandela University's (NMU) Environmental Health Students' Educational Tour

An Educational Tour of Nelson Mandela University's (NMU) Environmental Health Third Year Students was conducted in May 2019 within the Kouga Municipal Area.

As part of their in-service training, the 3rd Year students of Nelson Mandela University visit Kouga Municipality on an annual basis for practical exposure in the field of Environmental Health. Thus, the Environmental Health Practitioners together with the lecturers from the university takes these students on day trips to different outlets / premises to introduce and give the students the necessary practical exposure in the field.

The educational tour for 2019 took place during the week of 13 – 16 May 2019, with a total of twenty-five (25)) students and three (3) lecturers. The following premises were visited:

- Just Water Jeffrey's Bay - Bottled Water purification & packaging
- Pick 'n Pay Jeffrey's Bay - Food & Meat Safety
- Noah's Ark ECDC - Health Surveillance of Childhood Centres
- Balobi Processors St Francis Bay - Food Safety
- Humansdorp Water Works - Water treatment & purification
- Jeffreys bay Sewerage Works - Processing & treatment of raw sewerage
- Humansdorp Waste Site - Waste Management
- Woodlands Dairy Humansdorp - Production, packaging of milk & milk products
- Die Glen Milk Farm - Milk production

Food Safety & Hygiene Program for Schools Feeding Scheme Food Handlers

A food safety and hygiene program for 120 food handlers from all the schools around Kouga, providing meals to learners, were held at the Humansdorp Council Chambers & Vusumzi Landu Hall in Hankey, from 11 – 13 June 2019.

Food safety and hygiene is a discipline describing handling, preparation and storage of food in ways that will prevent foodborne illnesses. This includes several routines that should be followed to avoid potential health hazards and prevent harm to the consumers.

The main objective of the programme was to create awareness on food safety and hygiene procedures to be adopted by food handlers to ensure that safe meals are always served to the learners. This was also aimed at ensuring that food handlers adopt and promote food safety requirements in the production, handling & storage of food that will contribute towards safe food for the consumers (learners).

The food handlers were addressed on topics such as the following:

- Five keys to safer food
- Personal Hygiene
- Kitchen Hygiene
- Good and Bad Sanitation Practices
- Acceptable condition of equipment, utensils, cutlery & crockery used for catering
- Safe Food Storage Temperatures
- Certificate of Acceptability
- Sanitizing of equipment and utensils: when to sanitize
- Food poisoning chain, high risk areas & foodborne illnesses.

Pest Control is an ongoing program rendered by Kouga Pest Control as well as St Francis Bay Pest Control, on a rotational basis, as the service providers.

Pest control is conducted at all Municipal buildings for the elimination, control & prevention of all types of pests. Municipal buildings are fumigated, and bait stations placed accordingly at strategic points.
Pest control was conducted at all municipal buildings during this reporting period.

Health Education & awareness as an ongoing program.

- Health education with shop owners and food / meat handlers, persons in charge is also conducted on an ongoing basis during visits and inspections at food premises, butcheries, general dealers, house shops and funeral parlous.
- Schools and day care centers are also visited regularly and health education on good hygiene and sanitation practices is conducted with learners, teachers and care givers with the aim of preventing ill – health and communicable diseases.

Major challenges in Environmental Health Services and remedial action

CHALLENGE	POSSIBLE SOLUTION
Serving of notices for overgrown and environmental risk plots. No updated database of owner contact details, such as emails and telephone numbers on systems	Database update By Law enforcement Bush clearing teams to be provided with adequate resources;
Influx and mushrooming of Spazza shops, creches, hawkers in all areas of Kouga resulting in difficulty in managing and monitoring from a health point of view	Policy on Informal Trading developed and workshopped for comments and inputs. Documents still a working document by different departments.

COMPONENT D: SAFETY AND SECURITY

3.13 FIRE AND RESCUE SERVICE

Overview

As a modern emergency service which consists of the Fire, Disaster and Lifesaving sections, our focus is on providing emergency response to a wide range of complex incidents, prevention, preparedness, and specialized operational support.

This presents an opportunity for the department to deliver highly acceptable emergency services, and every individual within the service has an important role to play.

As emergency services, we can pride ourselves on the professionalism and influence over issues we demonstrate, such as the many awareness and prevention programs.

Often our influence, while not always visible, can have a broad and lasting safety benefit for our people and the community.

We continue to see improvements in the equipment we provide our firefighters, lifesavers, and disaster practitioners. Enhancements to the operational response, improved the safety of crews by providing incident controllers with an overview of the environment and essential situational awareness.

Whether on stations, assessing an emergency scene, promoting fire and water safety in the community, conducting lifesaving training, ensuring our fleet is well maintained and our stations and offices are well designed and safe, reporting, administering, implementing a new process or system or making sure the old one continues to work, over the last year every person at Kouga has continued to play a vital role in delivering our commitment to safer and more resilient communities.

Service Delivery Strategy

Our fifty-three (53) permanent employees and fifty (50) seasonal employees help safeguard the Kouga residents, workers and visitors along with assets and infrastructure worth millions of Rands. Our day-to-day service covers an area of over 2670 square kilometres. Our significant resources can also be called on to support emergency management anywhere in Kouga. The functions are identified as follows:

FIRE SERVICES

The main duties of firefighters are to help protect the public in emergency situations. They respond to a wide variety of calls, such as car crashes, chemical spills, flooding, water rescue, and general rescue as well as fires.

Fire kills. Preventing fires saves lives and reduces injuries.

The number of lost lives and injuries sustained as a result of fires are alarming. Statistics of Kouga in its analysis of the cause of death is mainly informal structure fires and motor vehicle accidents.

The fire problem is further compounded by the living conditions in informal settlements characterised by narrow streets which are inaccessible to fire service vehicles as well as the lack of street names which complicates endeavours to reach people in need.

These informal settlements comprise of shacks built with highly combustible materials (frequently wood and plastic) and positioned close to each other which increases the risk of fires spreading in these areas.

To keep up with the demand, fire stations are situated in Humansdorp (headquarters), and satellite fire stations in Jeffrey's Bay, Hankey and St Francis Bay.

Satellite fire stations are intended to reduce the response time to incidents to render a more effective firefighting service.

Prevention: Kouga Fire Service aims to eliminate or reduce the incidence or severity of emergencies. Prevention activities include both physical and legal measures, such as compliance inspections, approval of building plans, controlled burn, public awareness and educational campaigns. The Fire Service works with the community, other emergency management agencies, government and the private sector to ensure the knowledge, behaviours and regulatory and legislative frameworks exist to protect life and minimise injury and damage to assets.

Preparedness: Kouga advocates for safety in the built environment and the community, with the goal of reducing the occurrence, impact and severity of fires and other emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve firefighting and rescue capabilities
- Improve personal safety of all staff
- Improve public knowledge of fire safety as well as risk management measures
- Improve training levels of all staff

Challenges in the Fire Services and Remedial Action

Challenges:

- The diverse topography and poor road infrastructure, long distances to remote communities and poor communication impacts on the effectiveness of service delivery.
- Lack of coordination effort within the institution for planning of informal settlements.
- Poor management of overgrown vacant properties.

Solutions:

- To coordinate a pro-active approach towards the planning of informal settlements.
- To erect fire services to the communities in need where fire risks increases arises.
- To provide more education and awareness in the communities.
- To have a pro-active collective approach between sector departments towards planning of informal settlements.
- Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.

Legal requirements

In terms of Section 84(1)(j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the District is responsible for the functions mentioned below:

- Planning, co-ordination and regulation of fire services;
- Specialised firefighting services such as mountain, veld and chemical fire services;
- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
- Training of fire officers.

Kouga Municipality entered into a service level agreement with the Sarah Baartman District to perform the services on behalf of the District.

The Fire Brigade Service Act 99 of 1987, SANS 10090, Community Protection against fire, National Veld & Forest Act 101 of 1998, National Building Regulations Act 103 of 1977, and Occupational Health and Safety Act 85 of 1993.

During 2018/2019 this service responded to a total of 420 incidents as reflected below:

Category	Total 2017/18	1st quarter	2nd quarter	3rd quarter	4th quarter	Total 2018/19
Buildings	16	3	2	3	1	9
Dwellings (formal brick)	26	11	11	7	3	31
Informal dwellings (shacks)	90	21	17	15	7	60
Electrical	12	1	1	1	4	7
Refuse/Waste	81	10	18	24	9	61
Vegetation	165	17	51	48	16	61
Transport	25	3	2	2	1	8
Other (not above)	29	2	8	2	3	15
Accidents	151	25	25	24	19	93
Rescues	2	0	2	0	0	2
Spillage (oil)	5	0	0	0	1	1
Miscellaneous	3	0	0	0	0	0
Other	3	0	0	0	0	0
TOTAL	**608**	**93**	**137**	**126**	**64**	**420**

Fire Safety : Inspections

Fire Safety (number of inspections conducted)	1st Quarter July-September 2018	2nd Quarter October – December 2018	3rd Quarter January-March 2019	4th April – May 2019	Grand Total 2018/2019
General inspections	**33**	**37**	**33**	23	**126**
Flammable liquid	**4**	**2**	**7**	3	**16**
Building plans	**230**	**180**	**183**	193	**786**
Fire Hydrants	**31**	**34**	**7**	38	**110**
Burning permits	11	**2**	**10**	8	**31**

Vehicles

Vehicles in the Fire Department are old and constantly break down during firefighting activities. The fact that there is no proper replacement policy to replace old and depleted fleet, also contributes to the aging vehicles still in use.

Where operational	Type of vehicle
Jeffrey's Bay Fire Station	Nissan Tanker x1 Iveco x1 Jet ski Wave runner x1
St Francis bay Fire Station	Nissan Patrol x1 Toyota Tanker x1
Humansdorp Fire Station	Toyota Hinox1 Toyota Land Cruiserx1 GMCx1 Ford Rangerx1 HAZMAT Trailer

Where operational	Type of vehicle
	Dennis x1
Hankey Fire Station	Toyota Land Cruiser

The department procured an all-terrain fire fighting vehicle to be utilised for structural firefighting throughout the Kouga. A similar type of vehicle has been purchased for delivery during the financial year 2018/19.

Training and Development

The Kouga Municipality, like all other local authorities, must submit a Workplace Skills Plan to LGSETA in terms of the Skills Development Act, (Act 97 of 1998) and related legislation. No specialized firefighting training is currently provided to fire fighters and this department relies on the Sarah Baartman District Municipality for such training. The following schedule reflects staff training for the Fire and Rescue Section for the 2018/19 year funded by Sarah Baartman District Municipality:

Number of staff trained 2018/2019	Course	Where trained	Funding
Three (3)	Fire Fighter One & HAZMAT Awareness	Greytown, KZN	Sarah Baartman District Municipality
Four (4)	Fire Fighter Two & HAZMAT Operations	Greytown, KZN	Sarah Baartman District Municipality
Two (2)	Fire Instructor	Port Elizabeth, EC	Sarah Baartman District Municipality
Two (2)	Fire Investigation	Port Elizabeth, EC	Sarah Baartman District Municipality
One (1)	Incident Command Training	Joubertina, EC	Sarah Baartman District Municipality

Community Education and Awareness

AWARENESS AND TRAINING 2018/2019	1st Quarter July - September 2018	2nd Quarter October - December 2018	3rd Quarter January - March 2019	4th Quarter April - June 2019	Grand Total 2018/2019
Number of civilians reached	ward 4 & 5	all wards	wards 7, 10,15	Ward Disaster volunteers	
Type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Hospital& clinics	schools	schools &farms	schools	
Number of children and teachers reached	220	588	840	906	2554
Number of schools covered	3	6	13	7	29

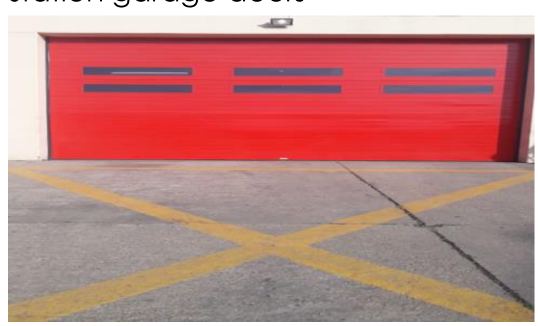
Capital projects for 2018/2019

Achievements

- Procurement of all-terrain fire fighting vehicle.
- Upgrading of one hundred and eighty (180) fire hydrants.
- Procurement of personal protective equipment.
- Public training and awareness in all wards.
- Appointment of one (1) Platoon Commander: Fire Prevention, two (2) Senior Lifeguards, one (1) Admin Officer, one (1) Senior Firefighter, and two (2) Firefighters.

Iveco 2018 Medium Pumper

Replacement of old Jeffreys Bay fire station garage doors



3.14 DISASTER RISK MANAGEMENT

The main duties of disaster practitioners are to establish and maintain an institutional disaster management capacity and to implement effective risk reduction activities, as well as prepare for and respond to disasters and coordinate disaster recovery. emergency recovery.

Prevention

The Disaster Management section focuses on prevention or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.

Disaster risk management is everyone's business.

Preparedness

Kouga advocates for safety in the built environment and the community, with the goal of reducing the occurrence, impact and severity of fires and other emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

On being dispatched to an incident the Kouga Municipality minimises the impact of the incident and provides affected individuals and communities with immediate relief and support. The municipality responded to 474 calls for covering fires; hazardous incidents; automatic alarms; road accidents; medical emergencies; urban search & rescue and marine incidents.

Kouga Municipality supports emergency-affected individuals and communities and aims to restore emotional, social, economic and physical wellbeing. The municipality works with partners to ensure that the community and its resources are protected and maintained, following an incident.

Functional strategies: The objectives of the Disaster Risk Management service is to promote a culture of risk reduction, disaster prevention and mitigation within Kouga Municipality as well as the District Municipality. It also acts as a repository and conduit of disaster management related information and aims to capacitate communities.

Furthermore, it promotes a rapid, co-ordinated and effective response to disastrous events by all role-players.

- Improve public knowledge of disaster risk management measures

- Maintain and update the Disaster Risk Management Plan in conjunction with Sarah Baartman District Municipality
- Improve training levels of all staff
- Event Management

Challenges in Disaster Risk Management and Remedial Action

- No consultation within the institution for planning disaster risk measures.
- Poor attendance of disaster advisory forum meetings as well as interdepartmental meetings.
- Upgrading of the disaster management centre.
- Staff shortage

Solutions:

- Pro-active approach towards the planning of disaster risk measures.
- To stress the importance and change the mindset of the community.
- Emphasise the importance of attendance at the disaster advisory forum meetings.
- Review of the Disaster Management Advisory Forums
- Ward based risk assessment plans needs to be incorporated into the disaster management plan. Sarah BDM appointed a service provider to compile a ward-based risk assessment plan for Kouga. Final draft to be adopted by SBDM Council.
- Functioning of the Disaster Interdepartmental Committee meetings
- Long Term Goals that will be supported by funding.
- Appointment of additional staff

Vehicles

This service operates with only one vehicle however, provision has been made for the procurement of an additional vehicle during the financial year 19/20.

The Disaster Management Division conducted multiple training sessions at primary schools. The purpose was to make juveniles aware of hazards and risk factors in their environment and to inform communities of what they had learnt.

The Disaster Management Division also conducted training for the disaster volunteer group that was established in St Francis Bay.

Events Management

The Event Management Act 2010 forms part of the Disaster Risk Management function as it is a legislative requirement. These services deal with the compliance of all event risks as well as on-site inspections of all areas were structures have been erected. Disaster Management evaluates safety plans

Achievements

- Establishment and registration of a Disaster Volunteer Group (20 members) in St Francis Bay.
- Revised Disaster Risk Management plan.
- No incidents during events – Safety Plans in place

Risk in different areas in Kouga

AREA	HIGH	LOW	Challenges
Humansdorp	Floods Domestic Fire		Storm Water System Maintenance. Informal Settlement Areas. Social factors
St Francis Bay	Domestic Fire Structure Fire Flooding	Sea level	Domestic fires are high in the formal and informal areas due to Social challenges. Structure fires are a high-risk due to electrical and Social factors. Sea Risen due to Climate Change and Global Warming factors. Formal and informal areas get flooded due to lack of storm water system and maintenance
Oyster Bay	Flooding Domestic Fire	Sea level	Formal and informal areas get flooded due to lack of storm water system and maintenance. Domestic fires are high in the formal and informal areas due to Social challenges Sea Risen due to Climate Change and Global Warming factors
Jeffreys Bay	Domestic Fire		Domestic fires are high in the formal and informal areas due to Social challenges

AREA	HIGH	LOW	Challenges
	Flooding	Sea level	Formal and informal areas get flooded due to lack of storm water system and maintenance. Sea risen due to Climate Change and Global Warming factors.
Thornhill	Flooding Domestic Fire	Veld Fire (Bush Plant)	Formal and informal areas get flooded due to lack of storm water system and maintenance Domestic fires are high in the formal and informal areas due to Social challenges. Bush fires and Plantation forestry
Hankey	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to Social challenges. Informal Settlements
Patensie	Domestic Fire Flooding		Domestic fires are high in the formal and informal areas due to Social challenges. Flooding is more in the low line farm areas

LIFESAVING SERVICES

Overview

The main duties of lifeguards are to maintain constant surveillance of patrons within the aquatic environment, to prevent any incidents, injuries and drownings in and around the aquatic environment. They act immediately and appropriately to secure safety of patrons in the event of emergency. Provides emergency care and treatment as required until the arrival of emergency medical services. They also enforce rules and regulations within the aquatic environment.

Prevention

The Lifesaving Service section focuses on creating awareness through water safety programs towards schools and the community, providing training for locals, preventing or reducing the risk of drownings, mitigating the severity of emergencies, emergency preparedness, rapid and effective response to emergency situations and post- emergency assistance.

Lifesaving is an essential life skill.

Preparedness

Kouga advocates for safety in the aquatic environment and the community, with the goal of reducing the occurrence, impact and severity of drownings and other water related emergencies. Preparedness activities include ensuring response plans and arrangements are in place before emergencies occur. This may include conducting risk assessments (likelihood and severity), planning for the continued availability of essential services and identifying ways to mitigate the potential impacts of an emergency.

Functional strategies:

- Improve lifesaving capabilities
- Improve personal safety of all staff
- Improve public knowledge of water safety as well as risk management measures
- Improve training levels of all staff
- Improve staff interaction with the public

Challenges in Lifesaving Services and Remedial Action

- Transportation of equipment & staff to all Kouga beaches
- Lack of water knowledge and swimming ability within the communities.
- The public does not adhere to the regulations and swimming at high risk and non-designated areas.
- Inadequate signage at high risk zones

Solutions

- Making use of hiring services for the provision of transportation of life saving equipment.
- To stress the importance and change the mindset of the community, through education and awareness programmes.
- All lifeguards to secure all coastal areas within Kouga.
- Increase of water awareness programs and introducing lifesaving skills through training of 15 professional lifeguards received training during the 18/19 financial year.
- Media and social awareness initiative to be introduced to defer public that does not adhere to regulations and swim at high risk and non-designated areas.
- Installation of more warning signage to minimise risks and liability to Council.

Vehicles

The Lifesaving Services currently do not have any vehicles and currently making use of hired vehicles. There is however an operational jet ski in this service.

Achievements

- Lifesaving training for local youths
- Successful summer season for 2018/19
- Procurement of lifesaving equipment

The lifesaving services section has been conducting lifesaving training for local youths from Humansdorp, Jeffreys Bay, and St Francis Bay. The trained youth are anticipated to be employed during the upcoming summer season. During the summer season the lifeguards responded to various emergency scenes on all the beaches of Kouga. Kouga Municipality aims to eliminate or reduce the number of incidents or severity of emergencies at all the coastal areas.

First Aid Training:

Life Saving Crew

3.15 SAFETY AND SECURITY

This Department includes traffic, security and law enforcement services.

The aim of Council is to ensure the safety of all residents and visitors in the municipal area through law enforcement. Currently municipal law enforcement officers work closely with the South African Police Services (SAPS) to combat crime while the traffic law enforcement officers are also assisting those agencies. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The willingness of the community to report crime assists the different law enforcement agencies in the fight against crime.

3.16.1 TRAFFIC LAW ENFORCEMENT

Overview

Traffic and Licensing Services aims to provide a professional service to all road users and the community of Kouga Municipality by promoting road safety and creating a safe road environment through effective management, education, protection and law enforcement

The goal and function are to educate road users to comply with the rules and regulations of the road. Traffic Law enforcement is guided by the National Road Traffic Act 93/1996, National Land Transportation Act 5/2009 and supported by the Criminal Procedure Act 51/1977.

Functions:

- The traffic safety is the mandate of the department of Transport and has been delegated to Provincial and local authorities.

- Our operational activities include roadblocks at strategic areas, high visibility in identified hotspots zones.

- High visible traffic policing is essential daily to ensure a safe road environment. The traffic law enforcement section works closely with other relevant law enforcement stakeholders for example the South African Police Service (SAPS) and the Department of Justice.

- Patrols are performed on various national, provincial and local roads in the Kouga area. Roadblocks are held to check driver and vehicle fitness. Speed checking by camera and manual operation is conducted on daily basis.

Traffic Services: Roadblocks

Scholar Patrol Program

There are six (6) schools that are participating in the scholar patrol program. They receive regular training and are supplied with the necessary equipment.

SCHOOL	WARD	AREA
Graslaagte primary school	5	Acadia
St Patrick's primary school	15	Graslaagte
Stulting primary school	15	Humansdorp
Mzingisi primary school	6	KwaNomzamo
Hankey primary school	9	Phillipsville

Makhukanye primary school	2	Tokyo Sekwale

Scholar Patrol Program

Traffic Control Activities

Description	2017/18	2018/19
	Total	Total
Handwritten fines	4238	3523
Speed Camera fines	97 272	54 968
Paid fines	26 000	7868
Warrants Arrest	1201	333
Disable Parking discs	160	162

Challenges

- All eight patrol vehicles in operation have reached the end of useful lifespan and are constantly out of commission due to breakages. This places an enormous strain on traffic service delivery.
- A contract with a service provider performing camera speed operations has ended in October 2018
- There is a need for a taxi unit to specifically deal with taxi violations
- There is a drastic need for traffic officers to work shifts to meet its obligations.

Solutions

- Provision for the procurement of patrol vehicles has been made in the 2018/19 financial year.
- The acquisition of firearms to be finalised within the 2018/19 financial year.
- The section is in the process of procuring new speed cameras operation to ensure safety of the road users.
- Budget allocation was made in the 2018/2019 financial year for the procurement of new vehicles and to date three (3) vehicles have been delivered and currently waiting for another five (5) to be delivered.
- The reinstatement of shift system will be addressed once all relevant safety gear has been acquired e.g firearms and bullet proof vests and other staff challenges.

Delivery of new traffic and Law Enforcement Vehicles

3.16.2 REGISTRATION AND LICENSING/ DRIVERS LICENSE/ VEHICLE TESTING

Overview: Municipalities act as agents for the Department of Transport to register and licence vehicles. The municipality receives a 19% agency fee for rendering this service.

Function:

- The registration and Licensing of vehicles new and second-hand vehicles.
- The capturing of data onto the e-Natis system is done daily.
- The forwarding of complicated vehicle registration transactions to the Provincial Department of Transport helpdesk for support and advice.

Registration and Licensing

Description	2017/18 Total	2018/19 Total
	Humansdorp	
Duplicate Certificates	**230**	**399**
Special Permits	**95**	**44**
Temporary Permits	**41**	**117**
Search Fees		**1**
	Hankey	
Duplicate Certificates	**0**	**17**
Special Permits	**0**	**13**

Driver's License testing centre and Roadworthy testing centre

Overview: The drivers licence testing (**DLTC**)centre makes provision to test for light and heavy motor vehicles licenses, as well as renewal of driver licences and professional driving permits for the community of Kouga municipality and neighbouring municipalities. Humansdorp centre operates 6 days a week.

Hankey driving licence testing centre is operational and only performs learners licence tests from Monday to Friday.

The (**VTS**) Vehicle Testing Station in Humansdorp is operational and tests are performed on daily basis. Free tests were done during festive season to make the public aware of road safety. Free tests are conducted on scholar transport as a provincial program from the Department of Transport. During high festive season free roadworthy tests are conducted on public transport to enhance road safety. A total of 283 roadworthy tests were conducted during the financial year to the value of R67 276,71

Driving License testing centre (DLTC) statistics: Humansdorp and Hankey

Description	2017/18 Total	2018/19 Total
Learners License Applications	3815	4357

Description	2017/18 Total	2018/19 Total
Applicants passed	2354	2785
Driving License Renewals	5357	5594
Driving License tests light m/v	1631	1966
Driving License tests heavy m/v	3140	3469
Applicants passed	2625	3155
Roadworthy tests conducted	0	283

Challenges

- The training of more cashiers/ clerks to serve as relieving staff.
- The centralisation of the function for efficient monitoring, control and supervision.
- Replacement of old and redundant equipment by the Department of Transport.
- Office space not conducive for the rendering services to the public.

Solutions

- Continuous refresher courses and training of staff is needed to be keep up with latest legislation,
- Additional filing cabinets were built to make provision for new files.
- Relocation of the renewal of drivers and learners' licences to the old traffic boardroom to improve the office space problem

Improvement of file storage

Before

After

3.17 SECURITY AND LAW ENFORCEMENT SERVICES

3.17.1 SECURITY

Overview:

Performing access control, monitoring and visible patrolling on a 24/7 basis. To ensure Municipal key points e.g. water treatments plants, sewerage & plants are guarded 24/7. A current staff compliment of 19 permanently employed guards ensuring safety in 20 municipal sites. During the festive season, the municipality employs guards on fixed term contracts.

Functions:

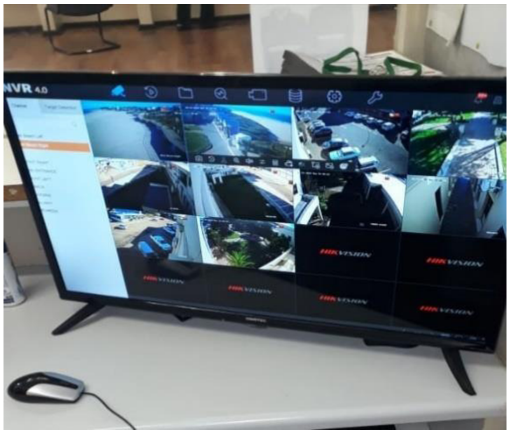
- Performing access control,
- Monitoring and response to incidents
- Visible patrolling on a 24/7 basis of sites
- Investigation and reporting of theft and vandalism to SAPS

This section strives to ensure that municipal assets/property is protected against theft, burglary and vandalism. Its mandate is also to ensure the human capital is safeguarded when on duty.

Temporarily guards are contracted as and when needed. Private security is being procured to guard high risk areas, e.g. water treatment plants etc.

Challenges

- A shortage of permanent guards appointed to cover all municipal key priority sites
- The CCTV cameras are still not installed at all buildings.
- Breaking inns and theft occurred where there were no guards placed.
- Incidents of arson happened at the Humansdorp Country Club building and Ben Marais caravan park.



Solutions

- To upgrade the entire security system with digital security equipment to keep up with the latest technology.
- The installation of CCTV security cameras at all municipal buildings and key priority sites.

3.17.2 LAW ENFORCEMENT

Overview:
The Law Enforcement Section is responsible for Law Enforcement through Municipal Law Enforcement which is mandated by Government Gazette 23868 of 26 September 2002, to address short falls and hardships experienced by Municipalities in South Africa relating by-law empowerment. To ensure all municipal bylaws are adhered too, and that the law and order in respect to the regulations of Kouga Municipality legislation are adhered to by the residents and visitors.

Functions: Daily duties entail patrol duties on the main beaches, CBD areas and other high priority areas. High visibility in residential areas is important.

Operations in co-operation with other law enforcement agencies are done on a regular basis.

High visibility and patrols are carried out by law enforcement officers during events hosted in Kouga Municipality;

The Impoundment of stray animals is part of the monthly programmes;
The removal of illegal signage erected; and
Assistance of other department and relevant law enforcement agencies

Description	2017/18 Total	2018/19 Total
Impoundment of animals, (cattle, goats and pigs)	149	133
Complaints investigated	380	412
Arrests	2	27
Fine issued	321	749
Fiela Operations in Humansdorp Hankey, Patensie, St Francis bay and Thornhill	0	13
Illegal Signage	0	279

Challenges

- Stray animals remain a concern as municipal boundaries are not properly fenced.
- A municipal animal pound is needed for the impoundment of stray animals.

Solutions

- An agreement has been entered with a landowner in Humansdorp to operate as a pound and pound master.
- Additional two law enforcement officers were appointed to assist with bylaw enforcement.

COMPONENT H: SPORT AND RECREATION: DIRECTORATE COMMUNITY SERVICES

3.18 CARAVAN PARKS AND CAMPING

Strategic objective

The Communities have access to caravan parks and resorts which are well managed and maintained

Description of activities

- The maintenance of all council caravan parks and resorts
- To identify needs and respond to customer complaints to ensure customer satisfaction.
- Reconciliations of bookings and invoices.
- Reservations and bookings

Challenges

- No marketing plan for the parks.
- The Humansdorp Caravan Park was closed due to the burning down of the park

Solutions:

- Plans are in progress to develop a marketing strategy in conjunction with Tourism section.

Achievements

- Fencing of the Caravan Parks (Pellsrus, Jeffreys Bay and Yellowwoods)
- Upgrading of the Jeffreys Bay Caravan Park ablution facilities and the guard house, works included tiling, painting and repairing of toilets, rebuilding of all braai stands on both Jeffreys Bay and Pellsrus Caravan parks, building of cupboards and purchasing of new couches, stoves and fridges for the chalets.

Jeffreys Bay Caravan Park
upgrading and guard house

Jeffreys Bay caravan park: Play Park

Jeffreys Bay Caravan Park
ablution for disabled

Fencing, painting and repair
braai's Pellsrus caravan park

Fencing of Yellow Woods Park and
painting of ablution facilities

3.19 SPORTS AND RECREATION

Strategic Objective

Communities have access to affordable sporting facilities that are well maintained and managed.

Description of the Activity:

The provision of various community and social services within the municipality is administered as follows and includes:

- Control of all existing sport facilities
- Control of all existing community recreation facilities
- Maintenance programs for both sport & recreation facilities

- Marking of pitches
- Preparation for special events at all facilities.
- Identification and application for new facilities as the need arises
- Handling of reservations
- Reconciliations
- Procurement of required amenity equipment.

Challenges

- Vandalism of existing infrastructure is an ongoing problem.
- Closing of the Kwanomzamo Hall and the Country Club due to burning down of these facilities
- Insufficient budget for establishment of new sports fields and maintenance thereof.
- No proper Indoor or Multi-Purpose Centre for Kouga Region.

Solutions:

- Council to consider the custodianship of sport facilities where possible with sport clubs for the upkeep and maintenance of the existing sport facilities.
- Business plans were submitted to the Department of Sport, Recreation Arts and Culture for the upgrading of Sport facilities as well as the development of new sport facilities.

Achievements

- Appointment of seven Caretakers for the following facilities:
  Humansdorp Cemetries, Kruisfontein Sport field, Kruisfontein Civic Centre, Aston Bay Hall, Sea Vista Hall and Thornhill Sport field.

- Weston Sport field was upgraded and is in the process of being handed over by service provider to Council
- Upgrading of the Pellsrus Sport field through Municipal Infrastructure Grant commenced in 2018/19 financial year to be finalized in the 2019/20 financial year
- Upgrading of Aston Bay Community hall and repairs to other community halls.
- Procurement of 106 tables and 1078 chairs for the community halls.
- Municipal Infrastructure Grant for the upgrading of Kwanomzamo Sports Field was approved by the Department of Sport Recreation, Arts and Culture.
- Alarm systems were installed to 11 community halls to minimize vandalism.

3.20 BEACHES AND ABLUTION FACILITIES

Strategic Objective

Communities have access to clean beaches with clean facilities that are well maintained.

Description of the Activity:

The provision of various beach ablution facilities within the municipality is administered as follows and includes, cleaning ablution facilities and the beach areas.

Challenges

Vandalism of facilities especially after hours.

Achievements:

- Major repairs were implemented to most of the ablution facilities
- Kouga Municipality was again awarded with full Blue Flag status for 2018/19 for Dolphin Beach.
- Upgrading of the Dolphin Beach Play Park
- The process for Pilot Blue Flag status in Cape St Francis has commenced during 2018/19 and is awaiting approval.
- The Municipality participated in the Working for the Coast Program which is funded by the National Department of Environmental Affairs (November 2017 – April 2018), which was extended until end of October 2018. 68 EPWP's were appointed in all Coastal Wards which is ward 1, 2, 3, 7, 11, 12 and 14 and additional funding was made available from 01 March 2018 – 31 October 2018 for the Catchment to Sea project which was a pilot project, where additional 63 EPWPs was appointed.

Checkers Ablution **Kabeljouws ablution**

Dolphin beach Ablution facility

COMPONENT C PLANNING AND DEVELOPMENT

DIRECTORATE: PLANNING, DEVELOPMENT AND TOURISM

3.21 SPATIAL PLANNING

Preparation and Approval Process of Spatial Development Framework (SDF)

The Spatial Development Framework was approved by Council on 29 May 2015 Council resolution 15/5/IPD1.

The municipality has a credible SDF that meets the required standards as set by the Eastern Cape Provincial Government through the implementation of the Comprehensive SDF Guidelines developed by Department of Rural Development & Land Reform in 2010.

The review of the Spatial Development Framework has commenced and is scheduled for completion during the 2019/20 year.

Integrated Land Use Scheme (ILUS)

The Draft Integrated Land Use Scheme (ILUS) will be finalised in the 2019/2020 financial year and will then be tabled to Council for adoption.

The main objective is to create an Integrated Land Use Scheme that will replace the various existing town schemes for the urban areas and other applicable development plans. The ILUS should fit within the current legislative framework, with the provisions of the Spatial Planning and Land Use Management Act, (Act 16 of 2013) as well as the Kouga Spatial Planning and Land Use Management By-law, 2016. It must also fit within the policy parameters established by the Provincial Government in the Eastern Cape, the Eastern Cape Spatial Development Plan and the Kouga Spatial Development Framework.

In terms of the Spatial Planning and Land Use Management Act, 2013, all municipalities must adopt a wall to wall land use management scheme before the end of 2020.

Land Use Management

All Land Use Management is done in accordance with legislation requirements e.g. Building Standard Act, Zoning Scheme Regulations, Kouga Spatial Planning and Land Use Management By-law, 2016, and other applicable legislation.

The following Land Use Management approvals have been dealt with in terms of said legislation:

LAND-USE TYPE		REZONING	SUBDIVISION	CONSENT USE	DEPARTURES	REMOVALS	SDP	TOTAL NUMBER
AREA								
JEFFREYS BAY	Submissions	4	5	11	61	11	6	**97**
	Approved	6	4	10	42	9	8	**79**
HUMANSDORP	Submissions	4	1	0	7	2	1	**15**
	Approved	3	1	0	5	3	1	**13**
ST. FRANCIS BAY	Submissions	2	3	1	10	4	2	**22**
	Approved	0	3	0	7	6	2	**18**
OTHER	Submissions	7	3	5	10	2	3	**30**
	Approved	3	3	4	5	0	3	**18**

A total of 164 land-use applications and 128 approvals were recorded for abovementioned period.

Building Control

BUILDING TYPE		DWELLING HOUSE	ALTER	ADDIT	BOUNDARY WALL	INDSTR	SWIM. POOL	ESTIMATED COST
AREA								
JEFFREYS BAY	Submissions	422	155	74	7	3	4	R 299,108,830
	Approved	338	105	63	9	2	9	
HUMANSDORP	Submissions	20	10	11	0	7	0	R 39,895,890
	Approved	18	3	6	0	6	0	
ST. FRANCIS BAY	Submissions	117	135	13	11	5	12	R 170,099,770
	Approved	86	100		10	2	10	
OTHER	Submissions	52	29	9	2	7	0	R 68,445,890
	Approved	34	25	12	2	3	2	
ESTIMATED COST		R 537,990,380	R 0	R 455,000	R 0	R 38,520,000	R 585,000	**R 577,500,380**

During the year under review 1208 building site inspections were conducted.

3.22 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM, SPORTS DEVELOPMENT, ARTS, CULTURE AND MUSEUMS)

Local Economic Development Service Delivery Strategy

Through the LED Office, Kouga Local Municipality has started a new process of reviewing and developing an inclusive LED strategy.

MAIN ROLE PLAYERS

Political Role Players

The Unit reports to the Planning, Development and Tourism Portfolio Committee which is chaired by the Portfolio Chairperson for LED and Tourism.

Staff role players

The staff component comprises of the current staff:

- Director Planning, Development and Tourism
- Manager LED
- LED Officer x 2
- Tourism officer x 1 (vacant).
- Admin assistant x1 (vacant)

Other role players

As part of inter-governmental relations, the LED/Tourism department works in collaboration with many partners in order to facilitate the functioning of the department. In the year of reporting the following role-players participated in Kouga LED initiatives:

ROLE PLAYER	PROGRAMME	DESCRIPTION
South African Local Government Association (SALGA)	Building Inclusive Green Municipalities Programme.	
Kouga Local Economic Development Forum		
Dept. of Rural Development and Land Reform (DRDLR)		
Dept. of Rural Development and Agrarian Reform (DRDAR)		
Cooperative Governance and Traditional Affairs (COGTA)		
Business Chambers		
Dept. Water and Sanitation, Fishing and Forestry (DAFF),		
Dept. of Economic Development, Environmental Affairs and Tourism (DEDEAT)		

DIRECTORATE PLANNING DEVELOPMENT AND TOURISM: PERFORMANCE ACHIEVEMENTS					
	Indicator name	**Target set for the year**	**Achievement level during the year (absolute figure)**	**Achievement during the 2017/18 year**	**Achievement during the 2018/19 year**
1	Existence of LED Unit	100%	The LED Officer vacant position was filled in the 2018/19 financial year.	55%	80%
2	Existence of LED Strategy	Completion of LED Strategy review	The Service Provider was appointed in 2018/19 financial year to develop the LED Strategy for Kouga LM.	80% The LED Strategy is in the process of review	30% the process is at initial stages.
3	Percentage of LED Budget spent on LED related Activities	90%	The LED grant funding was fully spent and benefitted 3 Kouga SMMEs (R445 000.00). The Grant in aid of R2 197 000.00 benefited Kouga NPO's in LED/Tourism.	60%	100%
4	Number of LED Stakeholder Forum Meetings held	4	The LED Forum was re-launched in the 2018/19 FY. 4 quarterly meetings were successfully held in the reporting year.	100% (4 Meetings held)	100% (4 meetings held)
5	Number of SMME's that have benefitted from an SMME Support Programme	550 SMME's		736	582
6	Number of job opportunities created through PPP: (LED and Tourism).	100	Total No. of temporary Jobs = 431	431	500

3.23 TOURISM

Due to the small component of staff and the vast jurisdiction and functions, this Section created Public Private Partnerships with community structures to serve as an implementation arm for the various priorities of the Section. The following partners (community umbrella bodies) were created: Kouga Local Tourism Organization and the Humansdorp Museum Association.

Each of these partners are constituted and registered Non-Government Organizations. A memorandum of agreement is in place with each of these private partners. Grant-in-aid, as well as funding for special projects are allocated to each for administrative purposes and furthering the development and marketing of tourism and museums in the Kouga Municipal area.

The Kouga Tourism Organization consists of member representatives of our three geographic Tourism Information Centres in Jeffreys Bay, St Francis Bay and Gamtoos.

Their grant-in-aid from the Kouga Municipality was R2 197 000.00 for the 2018/2019 financial year which included the support to the smaller tourism offices, general administration, brochures, active websites and marketing material.

The Kouga Local Tourism Office then submits quarterly reports to Kouga Municipality throughout the year on performance and expenditure and regular meetings held for monitoring and evaluation purposes.

Grant-in-aid Budget and expenditure report:

	Budget Plan 2018/2019											
Description	**Quarter 1**	**Quarter 1**	**Quarter 2**	**Quarter 2**	**Quarter 3**	**Quarter 3**	**Quarter 4**	**Quarter 4**	**Budget Subtotal**	**Actual Subtotal**	**Budget Totals**	**Actual Totals**
-	**Jul, Aug, Sept**	**Actuals**	**Oct, Nov, Dec**	**Actuals**	**Jan, Feb, Mch**	**Actuals**	**Apr, May, Jun**	**Actuals**	**Per annum**	**Per annum**	**Per annum**	**Per annum**
-	**2018**	**2018**	**2018**	**2018**	**2019**	**2019**	**2019**	**2019**				
Advertising											**3,000**	
· Website	750	0	750	0	750	0	750	3,996	3,000	3,996		3,996
Trade and Travel Shows											**75,000**	
· Adventure Lifestyle Show - Cape Town							50,000	39,292	50,000	39,292		63,371
· WTM Cape Town							25,000	24,080	25,000	24,080		
KLTO Operational											-	
· Stipend payments	13,500	13,500	13,500	13,500	13500	13,500	13,500	13,500	54,000	54,000	**54,000**	54,000
Other expenses for KLTO											-	
· Travel Expenses	2,000	0	2,000	0	2,000	0	2,000	0	8,000	0	**25,800**	14,193
· Bank charges	750	634	750	567	750	524	750	523	3,000	2,249		
· Auditors fee		5,060	6,000						6,000	5,060		
· Website hosting	3,500	2,789	0	0	0	0	0	0	3,500	2,789		

· Refreshments at meetings					800		700		1,500	0		
· Sundry expenses (eg. Courier fee etc.)	800	0	1,000	4,095	1,000	0	1,000	0	3,800	4,095		
Grant in Aid: Tourism Information Offices											**139,200**	
· R4000 per month x 3 offices	34,800	0	34,800	0	34,800	0	34,800	139,200	139,200	139,200		139,200
Each geographical tourism office use this to												
pay Salaries, telephone, insurance and other												
running expenses.												
Festivals and Events											**1,900,000**	1,900,000
· Winter Fest							1,300,000	1,300,000	1,300,000	1,300,000		
· J Bay Makietie							200,000	200,000	200,000	200,000		
· Citrus Fest							200,000	200,000	200,000	200,000		
· Calamari Festival	200,000	0		0		0		200,000	200,000	200,000		
Total:	256,100	21,983	58,800	18,162	53,600	14,024	1,828,500	2,120,591	2,197,000	2,174,760	**2,197,000**	2,174,760

Festivals and Events

The following key festivals were funded / supported by KLM in the year 2018/2019. These events are as follows:

- Winterfest
- Citrus Festival / Gamtoos Bash
- Calamari Festival

Gamtoos Bash / Citrus Festival

The first Gamtoos Bash was held on 15 June 2019 (with only a name change it would have been the 9th Citrus Festival). This festival was held the Sportsgrounds of Laerskool Gamtoosvallei in Patensie. This has proven to be a very good venue due to its central location, infrastructure supplied and the spaciousness at the sportsgrounds. The decision by the committee of Gamtoos Tourism to host the Bash in June was to coincide with the citrus season. It was also hosted on the first weekend of the school holiday to ensure families to come and join in the fun and activities. It is a local Festival – unique to the Gamtoos Area. The program included: Business breakfast with Joey Evans, Potjiekos evening with Lianie May, Farm run and MTB challenge, Netball clinic hosted by ex-Protea Yolande Saalmans, Live music (Herman Kleinhans, Jakoos Scheepers, Germandt Geldenhuys & Jennifer Zamudio), Kids entertainment, Wine tasting, Beer and wine garden, Fresh fruit and Veg market, food and Market stalls. An all-time favourite was the citrus orchard tours hosted by well-known citrus farmer, Danie Malan.

The following events formed part of the 2019 Gamtoos Bash

- 5km Farm Run
- MTB 5km challenge
- Little ones 600m dash
- Netball clinic (0/11, 0/12, 0/13)
- Citrus Orchard Tours

The sporting events was well attended from all over the Eastern Cape. In comparison with previous. An estimate of about 1500 people attended the festival over the weekend.

Since the first Citrus Festival we have annually focused on having stalls with locally hand- and homemade products and supported 2 charity stalls. A total of 10 jobs were created just by the event organizers during the Bash, this excludes the market stalls and contractors used for the music and entertainment and other services.

We focused on Social media advertising. Active Radio adverts were aired on three radio stations: Algoa FM, PE FM and Luister FM. One full page advert was placed in the Kouga Express, and one in the St Francis Cronicle. We also secured a front-page photo before the festival, and an article on the Bash in the body of the Kouga Express.

An amount of R200,000 was funded from Kouga Municipality, and below is our budget vs actual expenditure.

BUDGET EXPENDITURE:

Description	Budgeted Amount	Actual
Income		
Kouga Municipality	200 000.00	200 000.00
Dinner Dance	15 000.00	9 530.00
Stalls	15 000.00	14 750.00
Gate Fees	50 000.00	32 400.00
Beer Garden	5 000.00	2 000.00
Sponsors	11 000.00	14 500.00
Income Total	**296 000.00**	**273 180.00**
Expenditure		
Germandt Geldenhuys	12 000.00	12 000.00
Jennifer Zamudio	12 000.00	12 000.00
Lianie May	23 000.00	23 000.00
Motivational Speaker: Joey Evans (Para to Dakar)	30 000.00	16 000.00
Jakoos Scheepers	5 000.00	5 000.00
Herman Kleinhans	5 000.00	5 000.00
Accommodation	4 560.00	4 560.00
Flights	13 000.00	13 012.22
Sound and Master of Ceremonies	18 500.00	18 500.00
Advert designs	10 000.00	10 269.50
Advert: Algoa FM	20 000.00	23 000.00
Advert: Luister FM	10 000.00	7 900.00
Advert: PE FM	2 500.00	2 500.00
Advert: Street lights and banners	18 000.00	11 707.00
Advert: Kouga Express	10 000.00	10 350.00
Advert: ST Francis Chronicle	1 000.00	1 000.00
Secbands (Entrance Fees)	3 460.00	3 460.00
Insurance	7 500.00	7 500.00
Tent, stage and dance floor	22 000.00	36 440.00
Liquor License	3 500.00	3 500.00
Security (Sponsored)	30 000.00	15 000.00
Ambulance	3 080.00	3 080.00
Access and Cash Control	15 000.00	5 000.00
Events Act Compliancy	400.00	400.00
Electrician (sponsored)	15 000.00	0.00
Wages	2 700.00	2 700.00
Management fees & transport	10 000.00	0.00
Expenditure Total	**307 200.00**	**252 878.72**
Profit/Loss	**-11 200.00**	**20 301.28**

Gamtoos Tourism's vision is to build on the various events taking place in the Gamtoos Valley and try to build on that in order to attract more visitors. Gamtoos Tourism would like to thank the Kouga Municipality for the funding and the opportunity to host the Gamtoos Bash. Without the financial support of Kouga Municipality this festival would not have been possible, and we do hope to continue and build on this partnership.

Winterfest :

The Winterfest received an amount of R1 300 000.00 in grant in aid funding from the municipality. It was a successful international surfing event that attracted international and National tourists to the Jeffery's Bay and the Kouga area.

		Values	
STAFF/SUPPLIERS	**STAFF CATEGORY**	**Sum of NUMBER**	**Count of NAME**
EVENT STAFF	BEACH COMMS	3	3
	CAR GUARD	6	6
	CHRISTIAN SURFERS	15	15
	DOCTORS ROOMS	4	4
	OFFICE	8	8
	SAFETY OFFICER	1	1
	SITE MEDIC	1	1
	WATER SAFETY	10	10
	STEVEN SITE CREW	12	12
	SUPERS FOUNDATION	1	1
	Casuals	18	1
EVENT STAFF Total		**79**	**62**
SUPPLIERS	HAVASEAT	12	12
	SUPPLIER	15	15
	TD CARPENTRY	4	4
	DESTINATION SIGNS	6	6
	TREVELC	3	3
	LEDVISSION	9	9
	CAL IT	4	4
	SMHART	24	24
	ENGINEER	1	1
	ENVIROMAN	10	10
	K&W - TENTS&FENCES	9	9
	IN FOOD	8	8
	VISCOUNT	4	4

Sum of NUMBER	
STAFF/SUPPLIERS	**Total**
EVENT STAFF	79
SUPPLIERS	178
STALLS	30
Grand Total	**287**

	CONTROL A	26	15
	COMPUCAM	3	3
	DAYMON PNEMATICATOS	13	13
	GARDMED	3	3
	HAWK 62 AVIATION	3	3
	ACK ENT	3	3
	DRONE	2	2
	TAR PROJECTS	12	12
	Pieter Plants	4	1
SUPPLIERS Total		**178**	**164**
STALLS	SUGAR CANE	2	2
	FIX 8 FOOD	4	4
	SPIRAL POTATO	2	2
	BOERIE ROLLS	4	4
	IN-STEP	2	2
	COFFEE	4	4
	HANNA TATOO	1	1
	ISLAND TRIBE	1	1
	CANSATHON	2	2
	KRAMERS	6	6
	URBAN EATS	2	2
STALLS Total		**30**	**30**
Grand Total		**287**	**256**

Calamari Festival:

The second annual Calamari Festival was held on 22 September 2018. This festival was held on the POS next to the Municipal building in the centre of St Francis Bay, and has proven to be a very good venue due to its central location and infrastructure supplied by the municipality and the adjacent Tennant Centre. The decision by the committee of St Francis Tourism to coincide the Calamari Festival with the already popular and known Calamari Classic sporting weekend in St Francis proved to be a good one. With having the festival and providing activities for the whole family we managed to have families join the golfers and bowlers to stay for the weekend but also those that didn’t normally bring their families with did as there was added entertainment. This year the St Francis Runners also had the 1st edition of their annual half marathon on Sunday, 23 September.

It is a local Festival – unique to St Francis Area. The program included; Live music, Kids entertainment Arena, Calamari Cook Off with tasters sold to public, Food demonstrations: Beer, wine and Gin tastings and Market stalls

The main attraction of the Calamari Festival is the Cook Off competition with local calamari. 10 Teams entered for the cook off. We had 3 teams from the local settlement who entered the Cook Off competition, one of the teams came 3rd.

The following events formed part of the Calamari Classic and Festival for 2018:

- Calamari Classic Golf Tournament (St Francis Bay Golf Club)
- Calamari Classis Bowls Tournament (St Francis Bowls Club)
- Calamari Festival 2018 (St Francis Tourism)
- Nautical Half Marathon (St Francis Runners)

The sporting events were well attended from all over the Eastern Cape, Western Cape, Gauteng and Natal.

The 2nd Calamari Festival was a huge success. We were overwhelmed with the amount of people who attended, mostly from Kouga area, Tsitsikama, Koukamma and Port Elizabeth (Even with 2 big Music festivals in PE on the same day and the 1st JBay Makiti). A lot of families joined in on the fun and the kids' arena (run by the grade 11 kids of Woodridge College) was well used by young children. An estimate of about 4000 people attended the festival over the 6-hour period.

We sure have a winning strategy with the uniqueness of the "Calamari" element. The Calamari Cook Off – our major event at the Festival proved very popular and we had 10 entries for the first edition. We secured Lani and Louzel (runners up from MKR 2017), local Eastern Cape mom and daughter team for our celebrity judges and they also gave 3 cooking demos with local calamari. 3 Teams from Sea Vista We will for sure build on this concept and make it bigger and better in 2019. The entry fees of the Calamari Cook Off was donated to our local NSRI Station 21, due to their commitment and hard work. They were also given a stall space to sell promotional merchandise and promote their cause.

With the festival being held during Heritage weekend we focussed on having stalls with local products and supported 4 stalls from PDI's.   A total of 15 jobs were created just by the event organizers during the day, this excludes the market stalls and contractors used for the music and entertainment and other services.

MARKETING

We mostly focused on Social media advertising. We created a Facebook Page for the Festival and this has grown to over 700 likes and ran active marketing campaigns to create awareness from the Eden District and right through the Sarah Baartman District. A Facebook event was created, and the reach was well over 6000. Our celebrity judges also shared our event and posts. Three adverts were placed in the local Kouga Express, one in the Winterfest insert and the other two weeks apart with the last one the week before the festival. We also secured a front-page photo the Thursday before the festival, this also coincided with their article on What to do in St Francis (part of their tourism month campaign). Another advert was placed in a monthly booklet distributed in Koukamma region. Posters were distributed in St Francis, CSF, Humansdorp and Jeffreys Bay. We got our members on board and many of them marketed the festival on their Social media outlets. Brochures were handed out at the Homemakers Expo in Port Elizabeth early August. The festival was also mentioned on PE FM and Algoa FM. We used Roland Gaspar, a presenter on Algoa FM as our MC for the day.

FINANCES

An amount of R200,000 was funded from Kouga Municipality, at the time on this report we only had a commitment of the amount but have not received the amount yet. No other income was received. Donations included; products and vouchers, lucky draw prices.

Breakdown of expenses:

Live entertainment, MC and sound	R47 500
Advertising, printing and design	R19 350

Cook Off Floating Trophy & Prizes	R3 600
Insurance	R5 600
Site prep and electricity	R5 000
Cook Off Expenses	R25 400
Wages	R4 000
Celebrity Judges	R15 500
Seating	R4 000
Toilet rental	R6 700
Liquor License	R3 500
Tents and Equipment rental	R35 300
Sundries	R5 250
Event management	R20 000
Total	**R200 900**

RECOMMENDATION

With the huge success of this 1st and second edition of The Calamari Festival we are sure that we have found our 'niche' Festival for the St Francis area and that this can become the next "Oyster" Festival. The vision is to build on the various sporting events and to provide a fun festival for young and old. Additions to the weekend programme to encourage visitors to book accommodation and visit the other sites and establishments in and around St Francis. It was a privilege to have our mayor, Clr Horatio Hendricks to open the festival. Planning is already underway for the 3rd edition in September 2019 and we secured our celebrity judges for this year already. The 1st Calamari Tops Wine Festival will be part of this year's programme on Friday, 20 September 2019. Looking forward to welcoming you to the 3rd edition of the Calamari Festival on 21 September 2019

National Trade Shows

The 2019 adventure lifestyle show held at the Meerendal, Cape Town from 5-7 April 2019. It is a travel, outdoor activity show, showcasing destinations, related businesses and an opportunity to meet up with the outdoor enthusiast, hiker, camper, biker and people interested in discovering new destinations.

Profile of exhibitors and visitors:

- outdoor & camping gear & products.
- other areas from western & eastern cape: Tsitsikamma, George/ Oudshoorn/ De Rust ; Mossel Bay, Plettenberg Bay .
- Kouga attendees: Esti Stewart (Marketing Director representing St Francis Bay and Jeffreys Bay) and Renee Scheepers (representing Gamtoos) and Estelle de Beer (representing Jeffreys Bay).
- Visitors: 2950. Exhibitors: 262

Marketing material: Kouga Tourism Routes brochures, plus St Francis Tourism, Gamtoos Tourism as well as Jeffreys Bay Tourism were handed out. The brochures work well together as the Kouga Tourism Routes brochure gives a good overview, and the other 3 gives product information. Members should be encouraged to advertise in their office's brochure. Kouga had a nice big and interactive stand – with one side representative of the mountains (Gamtoos/ Baviaans area) and the other side representative of the ocean (Jeffreys Bay and St Francis). The concept worked very well with our new backdrops forming an interesting view with beautiful scenery photography and depiction of all the outdoor activities which thrive in our Kouga.

Recommendations:

Exposure at travel shows is of utmost importance. It is the best opportunity to work together with tourism partners such as the ECPTA, NMBT, Ectour, Route 72, Oudtshoorn, George, Mossel Bay and Tsitsikamma and the place to be to meet the right role players in the industry.

SLA Deliverables:

As part of the Grant-in aid agreement, the KLTO and KLM concluded a Service Level Agreement. Below is a summary report per region:

Gamtoos Tourism	
Deliverables	
Social Media: Likes & shares on social media	Gamtoos Tourism cc: Likes: 3303; Followers: 3305;
	Gamtoos Tourism: Likes: 1147; Followers: 1165;
	Dorp van Drome: Patensie: Likes: 961; Followers: 964;
	Dorp van Drome: Hankey Likes: 377; Followers: 382;
Website: traffic on website, blogs developed, visitor demographics	See attached document from Webmaster
Publications: number printed vs number left at end of year	Gamtoos brochures printed at the end of 2017 and reprinted in 2018. Total printed: 25 000 with 1 800 left
Visitor profile	Domestic visitors: 90%: In Season: whole of South Africa Out of Season: Kouga region, PE and surroundings
Accommodation Bookings	No central booking system Accommodation booked: ±16 900 from July 2018 to June 2019
Promoting Township Tourism	Due to lack of funding, no workable plan to develop it
Product Development	Festivals: Gamtoos Bash
	Events: Golf Day
Promote Annual Kouga Events Calendar	Social Media: Shared Website: Was added to www.baviaans.net Printed media: No funding to promote Kouga events, only Gamtoos events.
Target Market	Local: Gamtoos Baviaans is definitely mostly domestic visitor profile orientated
	International: Two members, Guarri Safari & Pabala, offers trips into Baviaanskloof and around Gamtoos Valley to visitors that do not have transport or 4x4 vehicles.
Brand Development & Awareness	Gamtoos Tourism has included the KLTO logo and font onto the Gamtoos Brochure to ensure that there is a follow-through from KLTO branding to Gamtoos branding.
Promoting local establishments focusing on inclusiveness, beyond paying members	If paying members do not have an activity or cannot provide in an enquiry received, we do contact non-paying members to assist or provide in the need.

Jeffreys Bay Tourism	
Deliverables	
Social Media: Likes & shares on social media	facebook 5900 followers: We have an active facebook page that is updating
	Instagram 1074 followers: Our Instagram is still new and growing every month
Website: traffic on website, blogs developed, visitor demographics	www.jeffreysbaytourism.org: We are in the process of updating our website and it is still no. 1 ranking on google for Jeffreys Bay - we are busy implementing blogs on our products and events. Photo's and things to do in our area.
Publications: number printed vs number left at end of year	Jbay Maps: 30 000 maps are printed each year for distribution to various towns and tourism offices in all provinces. This is a private sector contribution All brochures are handed out and we are short every year.
Visitor profile	Surfers: Yearly events are created for sufers around the world - competition and leisure
	Extreme Sport: We have visitors from all over the world doing extreme sport in our area
	Fishing: Lots of competitions annually held on our coastline
	Families: We are a popular holiday destination for families internationally
	Stop-overs: We are a popular one-night stop from Cape Town to Addo
Accommodation Bookings	Tourism Office: 20 per month
	On Line: 750 per month estimated
	Walk in's: 75 per month
Promoting Township Tourism	In progress: Working with Kouga Municipality to develop tourism in Townships
	Site Guides: Internship
Product Development	Festivals: See relevant section in the report
	Events:
Promote Annual Kouga Events Calendar	Social Media – Website - Printed media
Target Market	Local and International
Brand Development & Awareness	Office - Town Signage – Maps - Social Media - ECPTA

Promoting local establishments focusing on inclusiveness, beyond paying members	Museums: We are marketing our museums and reserves as activities
	Recycling: Promote our recycling and inform volunteers of times
	Hiking Trails: Help with development and marketing hiking trails
	Kiosk: Marketing information centre on main beach for visitors
	Traditional beading: Exposure to traditional beading and dances and skulpie tannies

St Francis Tourism	
Deliverables	
Social Media: Likes & shares on social media	Face Book: Likes: 1750; Followers: 1793; Post reach: +-500 Active posting on events and activities
	Instagram: New on Instagram, 500 followers but growing all the time
Website: traffic on website, blogs developed, visitor demographics	I am waiting for my report from my webmaster. No blogs on our website as yet - busy investigating this option.
Publications: number printed vs number left at end of year	Maps - 3000 color maps printed, 250 left - 10 000 gray scale printed, 2500 left 6000 Events guides printed in December with color map inside - 0 left
Visitor profile	Domestic visitors: 70% International visitors: 30%, mostly out of our traditional season mostly from all over Europe
Accommodation Bookings	No central booking system Bed-nights for the period = 245 847
Promoting Township Tourism	Betty's Tours - a local tour throught the township. We promote and market this tour via our tourism info office and printed media.
Product Development	Festivals: Calamari Festival - September, please see the attached report
	Events: St Francis Market - monthly market, very successful with average of 80 stalls, all handmade, local products.
Promote Annual Kouga Events Calendar	Social Media: Shared on our social media
	Printed media: No funding to promote Kouga events, only St Francis events. I have requested a few times that we get a list of the approved events so we can promote them but have not received anything this year so far.
Target Market	Local: Self-drive holiday maker, families and active adventure visitors

	International: Mostly Europe; UK, Germany, Sweden, Netherlands, Italy, France, Croatia. 2 of our members do International marketing which helps with this
Brand Development & Awareness	Office: St Francis Tourism logo: printed media and signage
	Social Media: Includes all the # and links when posting on social media
Promoting local establishments focusing on inclusiveness, beyond paying members	We will firstly promote members but will assist visitors with queries about non-member establishments. Our aim is to keep the visitor happy and informed.

DIRECTORATE: PLANNING, DEVELOPMENT AND TOURISM

3.24 HOUSING

Housing Delivery Strategy and Main Role-Players

Section 26 of the Constitution of South Africa provides that “everyone has the right to have access to adequate housing”.

The National Housing Policy and Code sets the underlying policy principles, guidelines and norms and standards which apply to Government's various housing assistance programmes introduced since 1994.

The Municipality must coordinate the planning and delivery of different housing typologies and programs in line with the National and Provincial Policy.

Department of Human Settlements funded various bulk Water and Sanitation infrastructure projects with the aim of un-blocking housing projects in various areas.

The Department of Human Settlements appointed three (3) Contractors for the installation of services and the construction of the top structures during the 2018-2019 financial year.

The appointed contractors and projects are as follows:

Bendolite Consortuim ***(Kruisfontein 391 Housing Project)***	**Ikhaya Construction** ***(Pellsrus 220 Housing Project***	**Norland Construction** ***(Ocean View 1500 Housing Projects)***
The Appointment for the construction of 391 top structures commenced in March 2017 Commenced with the installation of services on the 1st of July 2016. The contract period is 29 months and the anticipated completion date for the top structures is 30 September 2019.  387 completed housing units were handed over to the approved beneficiaries.	Appointed on the 1st of July 2016 for the construction of the civil works as well as the construction of the 220 top-structures. Construction of civil services was completed in November 2018  Construction of 220 Top structures commenced in June 2019 Project will be completed in December 2019	Norland Construction was appointed in December 2017. The inaugural meeting took place on the 16th of January 2018 and the physical site handover of the project was on the 22nd of May 2018. The Contractor was only appointed for the installation of 1500 internal services.  Phase 1(413) is complete

Planned Projects:

Revised Funding applications were submitted to the Provincial department of Human Settlements for the following projects on 24/5/2019, and we are currently awaiting the outcome of the applications, namely:

Arcadia 139 Housing Project

- Land Surveyor appointed in February 2019
- Awaiting approval of General Plan
- Pegging of sites is complete

Weston 196

- Land Surveying is complete
- Draft General Plan submitted to the Surveyor General for approval

Hankey 728 (990)

- Land Surveyor appointed in March 2019
- Approved Layout
- Pegging and relocation of beneficiaries will commence after site clearance
- Prelim services designs are complete
- Detailed services designs will be completed on 19/8/2019

Patensie 278

- Approved Layout
- Request for extension of ROD was submitted on 9/5/2019

Due to bulk infrastructure challenges the municipality cannot commence with the remainder of the projects namely:

Kwanomzamo: 400

- Funding for the upgrading of the WWTW was approved in the 2019/20 budget
- Upgrading to commence in the 2019/20 financial year

Sea Vista: 2000

- (Land only available for 350 houses, remainder not suitable for housing development due to wetland and Environmental Impact Assessment)

Thornhill: 390

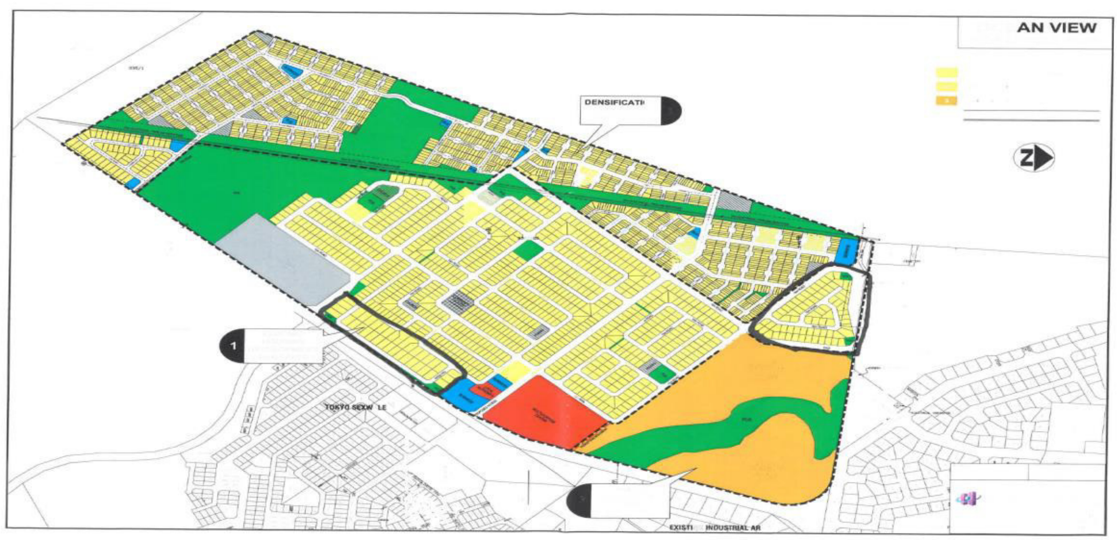
- WWTW to be upgraded first before any housing project can commence

Implementation of FLISP/Social Housing project:

Kouga Municipality has approved a FLISP/Social Housing Project to address the need of applicants that earn more than the R 3500,00 subsidy threshold

FLISP project will enable sustainable and affordable first-time home-ownership opportunities to South African citizens and legal permanent residents earning between R3 501 and R22 000 per month. The 'affordable' or 'gap' market individuals in these salary bands generally find it hard to qualify for housing finance, but too high to qualify for the government 'free- basic house' subsidy scheme.

Social housing is a government programme that provides low and moderate-income households, earning Rl 501- R 7500 per month, with quality and affordable rental housing opportunities in well located areas.



To address the shortage of suitable land for sustainable human settlements projects, council has intervened by assisting the provincial department of human settlements and approved the purchase (own funds) of land in KwaNomzamo and Loerieheuwel.

Transferring of these sites to Kouga Municipality is in process, Town planning and Engineering designs will commence after land transfer.

Levels and Standards in Housing Services

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

It spells out the minimum standard that a municipality may use for the connection and installation of internal reticulated infrastructure for subsidised housing.

Quality control is also monitored internally by the building control section, provincial inspectors, as well as the National Home Builders Regulatory Council (NHBRC).

Annual Performance as per Key Performance Indicators in Human Settlements Services

	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	100%	12609	391	391	100%
2	Percentage of informal settlements that have been provided with basic services	100%	9626	153	153	100%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	100%	9388	391	391	100%

Handover of Title Deeds

Title Deeds Handover

Kouga Municipality is committed to create human settlements and enable its residents to leave behind something tangible for their loved ones. The department has embarked on a Title Deed Handover project which saw the Honourable Mayor Horatio Hendricks handing over 1827 Title Deeds in the last financial year.

History was made when the Executive Mayor handed over a Title Deed to an elderly couple aged 100 and 84 years from KwaNomzamo, Humansdorp.

Establishment of Housing Committees

Council took a decision for the establishment of Housing Committees that will serve as a vehicle for participative planning and for working through the implications of every aspect of the housing development process and inter-alia identification of housing needs within a community.

14 housing public meetings were held in the various wards/areas and the purpose of these meetings was to inform the communities about current, planned, housing projects.

Credible housing committees were also established with the assistance of the community members and ward councillors.

Major Challenges in Human Settlements and Remedial Actions

- Not awarded municipal housing accreditation
- Current and growing bulk limitations to implement human settlements
- Formalisation of informal settlements
- Lack of a comprehensive infrastructure bulk services master plan.
- Shortage of suitable land to establish new settlements for the growing backlogs.

CHAPTER 4: FINANCIAL PEFORMANCE: DIRECTORATE FINANCE

COMPONENT A: MUNICIPAL FINANCIAL VIALBILITY AND MANAGEMENT

4.1 FINANCIAL HEALTH OVERVIEW

In order to provide an overview of the financial outcomes for the 2018/19 financial year, it is necessary to compare the 2018/19 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends for the period, 1 July 2018 to 30 June 2019.

The financial performance highlights, based on the audited results, are as follows:

4.1.1. STATEMENT OF FINANCIAL PERFORMANCE

Actual operating revenue (excluding capital grants) amounted to R 786,087 million, whilst actual operating expenditure amounted to R 820,969 million, resulting in an actual operating deficit of R 34,882 million. The 2018/19 Adjustments Budget for operating revenue (excluding capital grants) amounted to R 760,233 million, whilst operating expenditure amounted to R 819,759 million, resulting in a budgeted deficit of R 59,527 million.
It should be noted that the 2018/19 actual operating revenue of R 880,108 million, includes an amount of R 94,020 million, which relates to capital grants.

The following, however, needs to be noted:

Property Rates
The actual property rates revenue raised amounted to R 184,331 million (99.79%), compared to the Adjustments budgeted amount of R 184,711 million.

Service charges – Electricity Revenue

The actual electricity revenue raised, amounted to R 242,848 million (99.11%), compared to the Adjustments budgeted amount of R 245,041 million.

Service charges – Water Revenue

The actual water revenue raised, amounted to R 75,591million (106.77%), compared to the Adjustments budgeted amount of R 70,795 million.

Service charges – Sanitation Revenue

The actual sanitation revenue raised, amounted to R 44,023 million (101.64%), compared to the Adjustments budgeted amount of R 43,314 million.

Service charges – Refuse Revenue

The actual refuse revenue raised, amounted to R 33,401 million (99.73%), compared to the Adjustments budgeted amount of R 33,493 million.

Service charges – Environmental Management Fee

The revenue raised from the Environmental Management Fee, amounted to R 17,418 million (98.50%), compared to the Adjustments Budgeted amount of R 17,684 million.

Property Rates and Services Revenue:

Description	2018/19 Financial Year		
	Adjusted Budget (Including Indigent Subsidies)	Actuals as at 30 June 2019 (Including Indigent Subsidies)	Variance
R thousands			
Revenue By Source			
Property rates	**184 711**	**184 331**	**380**
Service charges revenue	**410 327**	**413 281**	-2 954
Service charges - electricity revenue	245 041	242 848	2 193
Service charges - water revenue	70 795	75 591	-4 796
Service charges - sanitation revenue	43 314	44 023	-709
Service charges - refuse revenue	51 176	50 819	357
Total	**595 038**	**597 612**	**-2 574**

Fines, Penalties and Forfeits:

The actual revenue amounted to R 21,334 million, compared to the adjustments budgeted amount of R 4,230 million. The previous year's actual amounted to R 34,832 million.

The Fines Revenue raised was approximately R 17,104 million more than budgeted. This is attributed to traffic fines issued, being higher than anticipated. The actual amount for 2018/19 includes fines paid, as well as fines issued.

Rental from Fixed Assets:

The actual revenue amounted to R 0,609 million, compared to the adjustments budgeted amount of R 3,043 million. The previous year's actual amounted to R 0,614 million.

The income derived from this revenue source, should be further enhanced by charging market related rentals relating to all Council's properties.

Transfers and Subsidies:

The actual revenue amounted to R 216,900 million (68.91%), compared to the Adjustments budget amount of R 314,773 million.

This is attributable to the Water Services Infrastructure Grant, being unspent by an amount of R 98,017 million.

Licences and Permits:

The actual licences and permits revenue amounted to R 15,793 million (108.81%), compared to the adjustments budgeted amount of R 14,514 million.
The Licences and Permits Revenue raised was approximately R 1,279 million more than budgeted. This is attributed to motor vehicle registrations being higher than anticipated.

Interest Earned – External Investments:

The actual interest earned – external investments amounted to R 11,947 million, compared to the adjustments budgeted amount of R 8,681 million. This was mainly due to additional investments being made during the 2018/19 financial year.

Interest Earned – Outstanding Debtors:

The actual interest earned – outstanding debtors amounted to R 6,962 million, compared to the adjustments budgeted amount of R 7,444 million.
Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

Sales of Goods and Rendering of Services:

The actual sales of goods and rendering of services revenue amounted to R 6,171 million (133.43%), compared to the Adjustments budgeted amount of R 4,625 million.

Operational Revenue:

The actual operational revenue amounted to R 1,454 million (160.84%), compared to the Adjustments budgeted amount of R 0,904 million.

Employee Related Costs:

Employee related costs amounted to R 274,158 million (100.54%), compared to the adjustments budgeted amount of R 272,673 million.
Employee related costs were approximately R 1,485 million, slightly more than anticipated.

Remuneration of Councilors:

The remuneration of councilors amounted to R 12,202 million (99.67%), compared to the adjustments budgeted amount of R 12,243 million.
Remuneration of councilors was approximately R 0,41 million less than the adjustments budgeted amount.

Depreciation and Amortisation:

The Depreciation and Amortisation amounted to R 75,856 million (100.66%), compared to the adjustments budgeted amount of R 75,357 million.

Impairment losses:
Bad debts are written off upon Council's approval. Debt impairment amounted to R 45,764 million, compared to the adjustments budgeted amount of R 36,150 million.
Debt impairment was consequently R 9,614 million more than anticipated in the 2018/19 Adjustments Budget. This is due to the impairment of traffic fines, being higher than anticipated.

Bulk Purchases - Electricity:
The Bulk purchases electricity amounted to R 198,587 million (98.83%), compared to the Adjustments budgeted amount of R 200,945 million.
The Bulk purchases electricity expenditure was approximately R 2,358 million less than budgeted.

Bulk Purchases - Water:
The Bulk purchases water amounted to R 35,940 million (98.38%), compared to the Adjustments budgeted amount of R 36,530 million.
The Bulk purchases water expenditure was approximately R 0,590 million less than budgeted.

Repairs and Maintenance:
The repairs and maintenance amounted to R 46,259 million (107.95%), compared to the Adjustments budgeted amount of R 42,852 million.
The repairs and maintenance expenditure was approximately R 3,407 million more than budgeted.

This is attributable to the re-allocation of expenditure, initially classified as capital expenditure, which relates to repairs and maintenance.

Interest:
The interest costs amounted to R 6,638 million, compared to the Adjustments budgeted amount of R 3,021 million.
The interest costs were approximately R 3,617 million more than budgeted. This is mainly due to interest raised on overdue creditors, not initially budgeted for.

Contracted Services:
The contracted services amounted to R 62,694 million (92.07%), compared to the Adjustments budgeted amount of R 68,096 million.
The contracted services expenditure was approximately R 5,402 million less than budgeted.

Item Description	Adjustments Budget 2018/19	Actuals as at 30 June 2019	Variance
Consultants and Professional Services	13 593 870	11 757 972	1 835 898
Contractors:Maintenance of Vehicles	8 040 500	8 628 209	-587 709
Contractors:Maintenance of Electrical Infrastructure	3 581 087	2 889 238	691 849
Contractors:Maintenance of Roads	8 953 135	11 535 222	-2 582 087
Contractors:Maintenance of Water Infrastructure	1 561 510	1 226 881	334 629
Contractors:Maintenance of Other Municipal Infrastructure Assets	4 927 052	4 163 333	763 719
Contractors:Maintenance of Buildings and Facilities	4 034 902	7 213 609	-3 178 707
Outsourced Services:Special Rating Areas	6 463 094	7 080 219	-617 125
Outsourced Services:Business and Advisory:Valuer: Evaluation Roll	2 075 000	141 182	1 933 818
Outsourced Services:Litter Picking and Street Cleaning	1 426 540	1 396 380	30 160
Outsourced Services:Security Services	1 444 946	1 030 799	414 147
Outsourced Services:Traffic Fines Management	1 460 000	1 174 493	285 507
Outsourced Services:Internal Auditors	250 000	162 928	87 072
Outsourced Services:Medical Services [Medical Health Services & Support]	480 000	444 612	35 388
Outsourced Services:Catering Services	552 997	380 194	172 803
Outsourced Services:Drivers Licence Cards	800 000	719 467	80 533
Outsourced Services:Animal Care	265 000	252 644	12 356
Other Contracted Services	8 186 093	2 496 306	5 689 787
	68 095 726	**62 693 690**	**5 402 036**

Operating Leases:
The operating leases amounted to R 9,510 million (85.26%), compared to the Adjustments budgeted amount of R 11,154 million.
The operating leases expenditure was approximately R 1,644 million less than budgeted.

Actual expenditure on the rental of photocopy machines was lower than anticipated.

Operational Costs:
The operational costs amounted to R 71,487 million (93.97%), compared to the Adjustments budgeted amount of R 76,075 million.

The operating costs expenditure was approximately R 4,588 million less than budgeted.

Item Description	Adjustments Budget 2018/19	Actuals as at 30 June 2019	Variance
Achievements and Awards	1 252 001	823 472	428 529
Advertising, Publicity and Marketing	1 751 294	842 745	908 549
Machinery and Equipment	-	4 207 680	-4 207 680
Bank Charges, Facility and Card Fees:Bank Accounts	640 363	2 055 856	-1 415 493
Bargaining Council	-	2 581 700	-2 581 700
Third Party Vendors	5 108 486	5 229 305	-120 819
Cellular Contract (Subscription and Calls)	1 467 717	757 455	710 262
Postage/Stamps/Franking Machines	1 647 420	1 301 730	345 690
Telephone, Fax, Telegraph and Telex	760 000	581 432	178 568
Provisions:Landfill Sites	226 840	1 540 000	-1 313 160
External Audit Fees	4 420 000	4 412 076	7 924
Internet Charge	3 901 163	2 936 118	965 045
Software Licences	3 430 000	2 847 573	582 427
Hire Charges	16 530 972	15 218 235	1 312 738
Insurance Premiums	2 452 705	2 460 777	-8 072
Motor Vehicle Licence and Registrations	791 390	646 154	145 236
Management Fee	5 208 855	5 784 917	-576 062
Municipal Services	10 432 080	4 477 544	5 954 536
Printing, Publications and Books	1 213 088	865 399	347 689
Professional and Regulatory Bodies	844 878	155 994	688 884
Seminars, Conferences, Workshops and Events:National	1 555 322	1 297 758	257 564
Remuneration to Ward Committees	2 432 267	2 407 538	24 729
Resettlement Cost	200 000	198 261	1 739
Signage	564 000	330 548	233 452
Skills Development Fund Levy	1 738 782	1 687 995	50 787
Travel and Subsistence	3 066 878	2 045 503	1 021 375
Uniform and Protective Clothing	2 142 954	2 057 843	85 111
Vehicle Tracking	577 942	584 079	-6 137
Workmen's Compensation Fund	1 450 490	896 821	553 670
Other Operational Costs	266 873	254 754	12 119
	76 074 760	**71 487 261**	**4 587 499**

Conclusion:
The Municipality recorded an actual operating deficit of R 34,882 million, compared to the adjustments budgeted deficit of R 59,527 million.

4.1.2 STATEMENT OF FINANCIAL POSITION

Net Assets:
Net Assets increased from R 2,131 billion (2017/18) to R 2,191 billion (2018/19) due to the following:
Non-current Liabilities:

- Long-term liabilities decreased from R 23,600 million in 2017/18 to R 16,354 million in 2018/19, due to the redemption of loans. No loans were taken up during the 2018/19 financial year.
- The Employee Benefit Liabilities decreased during the 2018/19 financial year, based on an actuarial valuation.
  The liabilities consequently decreased from R 96,301 million in 2017/18 to R 94,807 million in 2018/19. The Employee Benefit Liabilities consist of Post-Retirement Health Care Benefits and Ex-Gratia Pensions.
- Non-current Provisions increased from R 65,680 million in 2017/18 to R 68,637 million in 2018/19, due to the increase in Long Service Awards and the Rehabilitation of Landfill Sites provisions.

The net result is that the decrease in non-current liabilities, accounted for a movement of R 5,782 million in the net assets of the municipality.

Current liabilities:
Consumer Deposits
Consumer deposits increased from R 15,241 million in 2017/18 to R 17,378 million in 2018/19, mainly due to an increase in applications for new water and electricity connections.

Provisions
The current provisions increased from R 24,505 million in 2017/18 to R 29,649 million in 2018/19, mainly due to the leave provision and long service awards, being increased in the 2018/19 financial year.

Unspent conditional grants and receipts
It is to be noted that unspent conditional grants increased from R 6,942 million in the 2017/18 financial year to R 103,446 million in the 2018/19 financial year. This is largely influenced by the unspent Water Services Infrastructure Grant, in the amount of R 98,017 million.

Payables – Exchange Transactions
Payables have increased by R 16,668 million from R 70,715 million in 2017/18 to R 87,383 million in 2018/19.
Current Portion of Long-Term Liabilities
The current portion increased by R 0,122 million from R 8,944 million in 2017/18 to R 9,066 million in 2018/19.

The net result is that the increase in Current liabilities, accounted for a movement of R 120,575 million in the Net Assets of the Municipality.

Non-current Assets:

- Property, Plant and Equipment increased by R18,000 million from R 2,001 billion in 2017/18 to R 2,019 billion in 2018/19.
- Intangible Assets decreased by R 0,058 million from R 0,302 million in 2017/18 to R 0,244 million in 2018/19.
- Investment Property remained the same for 2017/18 and 2018/19 at R 242,551 million.
- Long-term receivables decreased by R 3,000 from R 16,000 in 2017/18 to R 13,000 in 2018/19.

The net result is that the increase in Non-current assets accounted for a movement of R 17,472 million in the Net Assets of the Municipality.

Current Assets:

Inventories

Inventories increased by R 2,583 million from R 6,666 million in 2017/18 to R9,249 million in 2018/19.

Receivables from exchange transactions

The increase in receivables amounted to R 5,259 million, or 10.76%, when compared to the previous financial year.

Year	Gross Balances R	Impairment Allowance R	Carrying Amount R
2017/18	141 782 964	92 948 783	48 834 181
2018/19	165 551 604	111 458 400	54 093 203
Increase	**23 768 640**	**18 509 617**	**5 259 022**

Receivables from non-exchange transactions

The Receivables from non-exchange transactions increased by R4,657 million from R 26,466 million in 2017/18 to R 31,123 million in 2018/19.

Cash and Cash Equivalents

Cash and cash equivalents increased by R119,913 million from R 94,315 million in 2017/18 to R 214,228 million in 2018/19.

VAT Receivable

VAT Receivable increased by R 24,083 million from R 22,713 million in 2017/18 to R 46,796 million in 2018/19.

Operating Lease Receivables

Operating Lease Receivables decreased by R 0,035 million from R 0,269 million in 2017/18 to R 0,234 million in 2017/18.

The net result is that the increase in Current assets accounted for a movement of R 156,460 million in the Net Assets of the Municipality.

Conclusion:

The Municipality's financial position has been influenced by the following factors:

- Cash and cash equivalents increased by R119,913 million (127.14%) from R 94,315 million in 2017/18 to R 214,228 million in 2018/19.
- Current Liabilities increased by R 120,576 million (95.43%) from R 126,346 million in 2017/18 to R 246,922 million in 2018/19.
- Current assets increased by R 156,460 million (78.52%) from R 199,267 million in 2017/18 to R 355,727 million in 2018/19.
- The continued escalation in outstanding debtors requires attention.

4.1.3 FINANCIAL INDICATORS

The following ratios reflect the municipality's relative financial viability and sustainability:

Borrowing Management		Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	4.83%	4.50%	4.98%	2.51%	1.78%	1.29%
Borrowed funding of "own "capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%

Borrowing Management		Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.06	0.05	0.05	0.03	0.02	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	0.54	0.72	0.86	0.97	1.58	1.44
Liquidity Ratio	Monetary assets / current liabilities	0.16	0.22	0.40	0.47	0.75	0.87
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	96.07%	98.91%	97.60%	95.81%	90.73%	97.62%

Other indicators		Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.25 Months	0.82 Months	1.59 Months	1.62 Months	1.73 Months	1.90 Months

Other indicators		Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019
Employee Costs	Employee Costs / Total Operating Expenditure	35.32%	36%	36.93%	33.39%	33.21%	33.39%
Capital Expenditure	Capital Expenditure / Capital Budget	21.35%	241.30%	81.97%	72.92%	72.98%	44.59%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.81%	4.46%	4.78%	4.94%	3.82%	5.63%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	0.95%	1.06%	1.46%	1.65%	1.41%	2.29%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	87.21%	69.55%	84.74%	78.69%	80.22%	75.36%

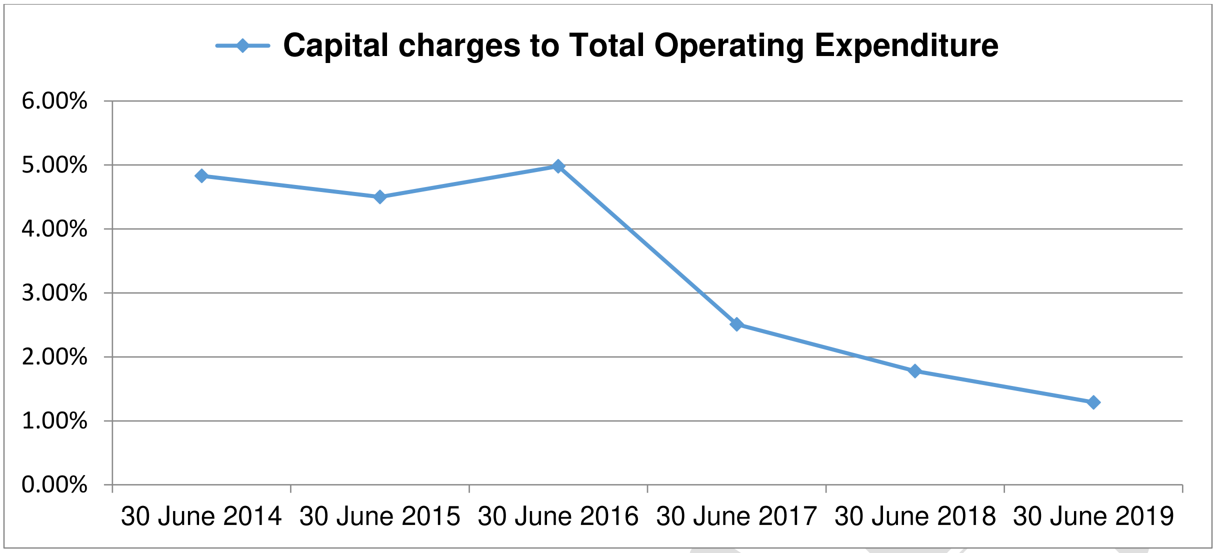
The above table is discussed in detail below.

4.1.3.1 CAPITAL CHARGES TO OPERATING EXPENDITURE

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1.29% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2019, whilst the Municipality's audited ratio as at 30 June 2018 was 1.78%.



4.1.3.2 BORROWED FUNDING OF CAPITAL EXPENDITURE

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 30 June 2019, the was 0% as no capital expenditure was funded from borrowings, whilst the Municipality's audited ratio as at 30 June 2018 was also 0%.

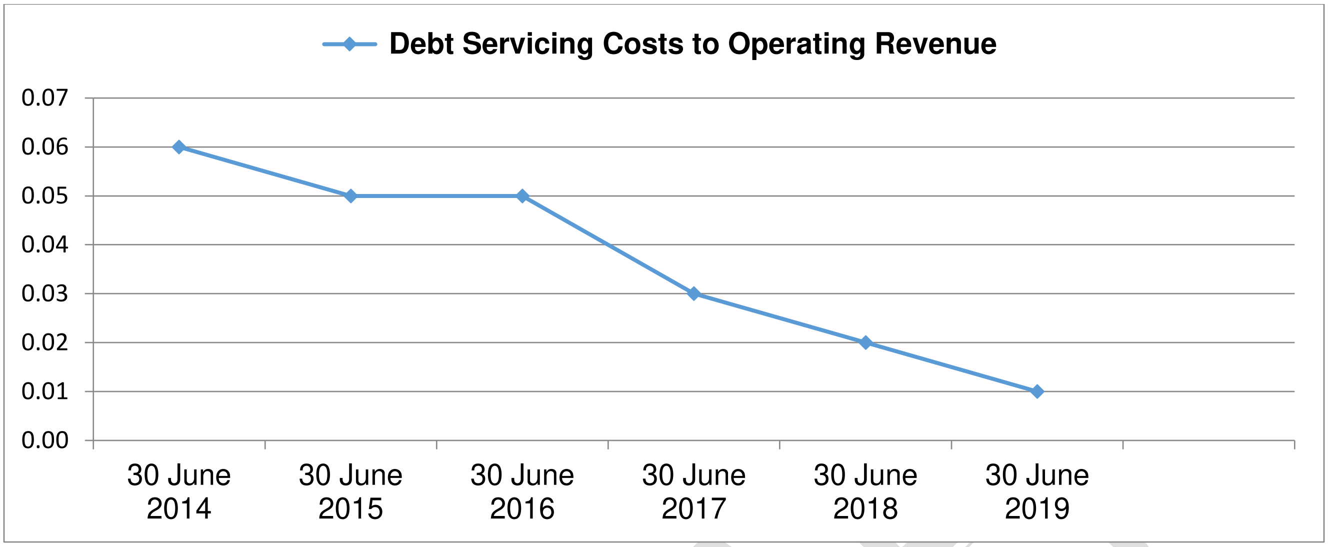
4.1.3.3 DEBT SERVICING COST TO OPERATING REVENUE RATIO

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 June 2019, the ratio was 0.01:1, compared to the audited ratio of 0.02:1 as at 30 June 2018.



4.1.3.4 CURRENT RATIO

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

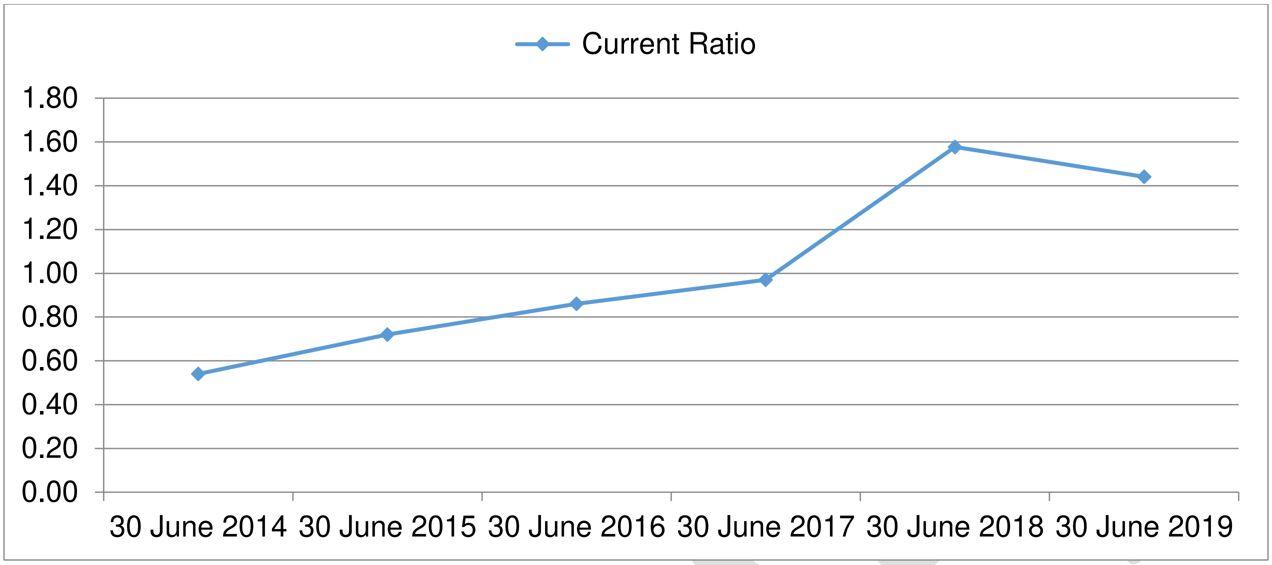
Current assets/Current liabilities

As at 30 June 2019, the Ratio was 1.44:1, whilst the Municipality's audited ratio as at 30 June 2018 was 1.58:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all its current obligations as and when they fall due.



4.1.3.5 LIQUIDITY RATIO

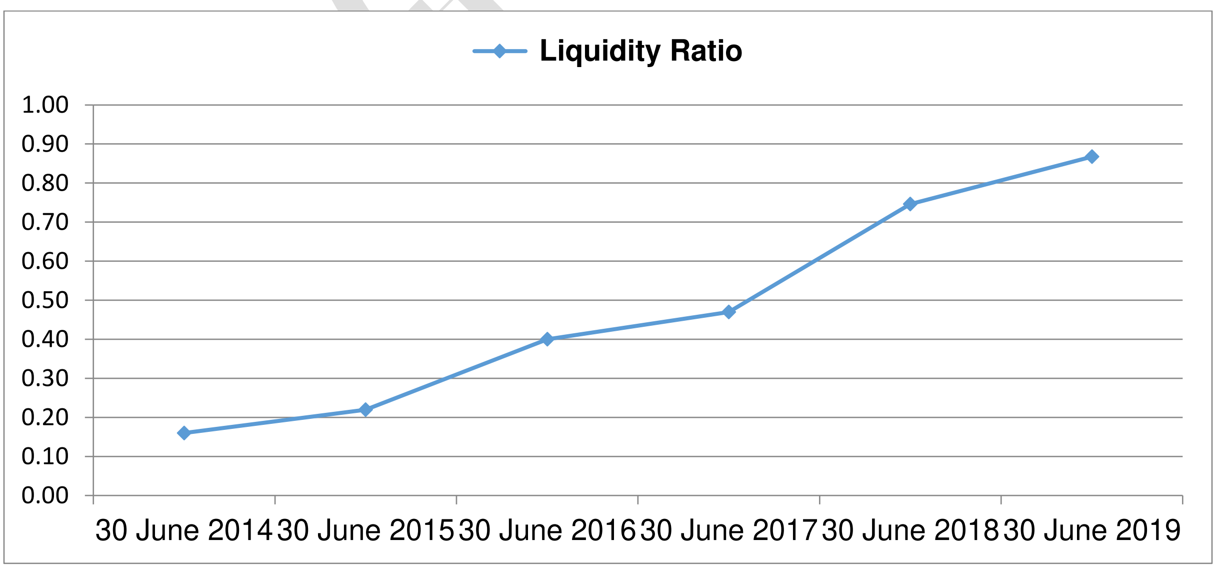
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 June 2019 was 0.87:1, whilst the Municipality's audited ratio as at 30 June 2018 was 0.75:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.1.3.6 ANNUAL DEBTORS COLLECTION RATE

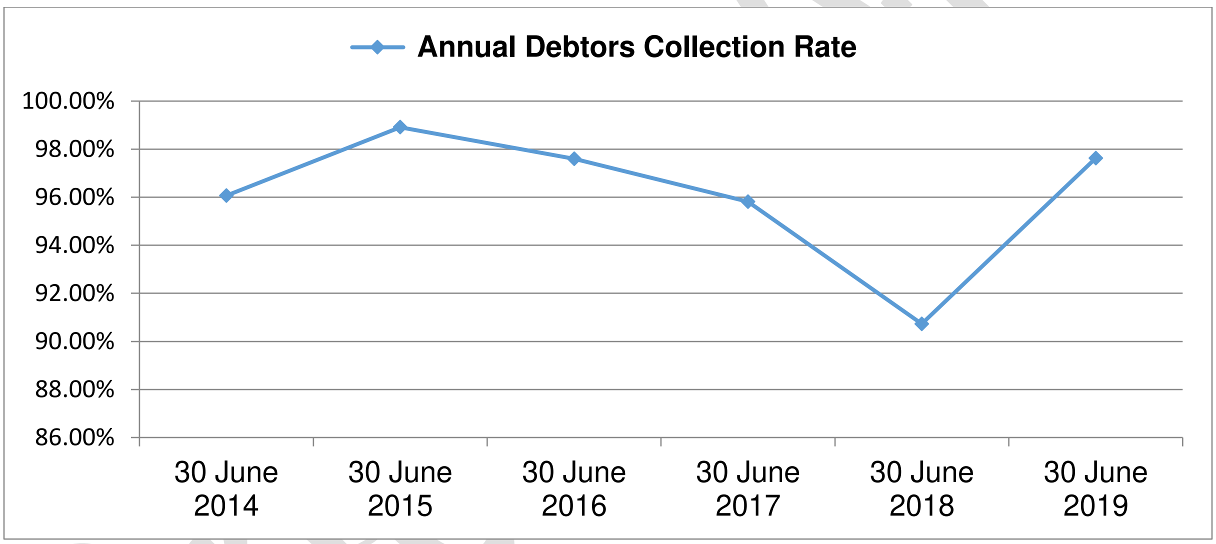
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100

Note: the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. accountholders are given one calendar month to pay their current accounts).

The average collection rate as at 30 June 2019 was 97.62%, compared to the average collection rate of 90.73% for the 2017/18 financial year. These percentages are calculated based on revenue receipted, compared to revenue billed on a month-to-month basis.



4.1.3.7 COST COVERAGE

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that month.

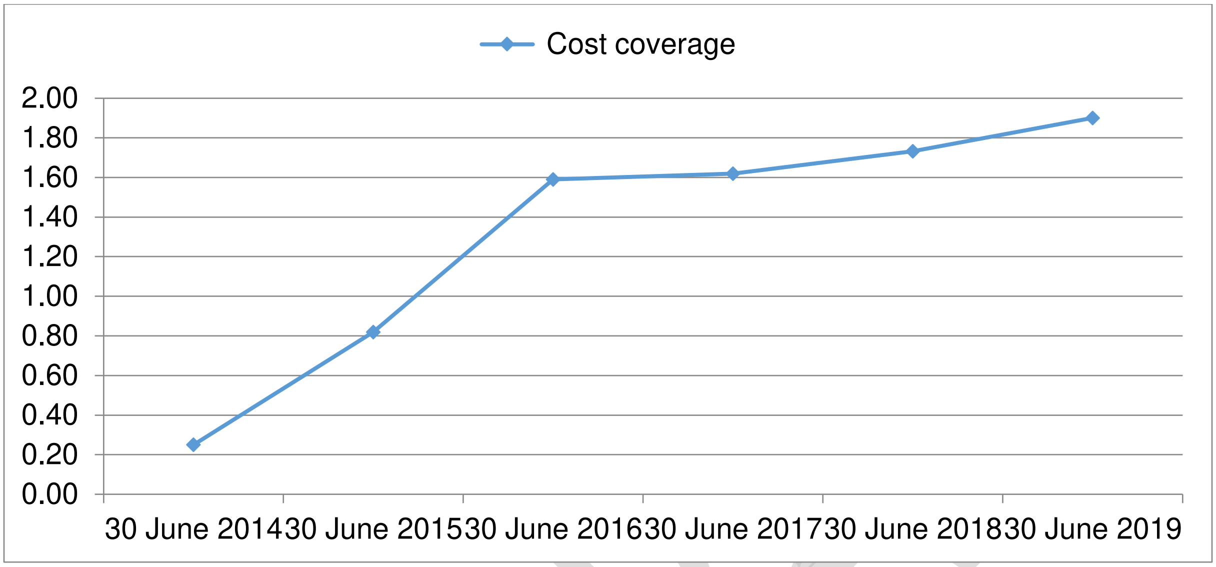
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 30 June 2019, the Ratio was 1.90 months, whist the Municipality's audited ratio as at 30 June 2018 was 1.73 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



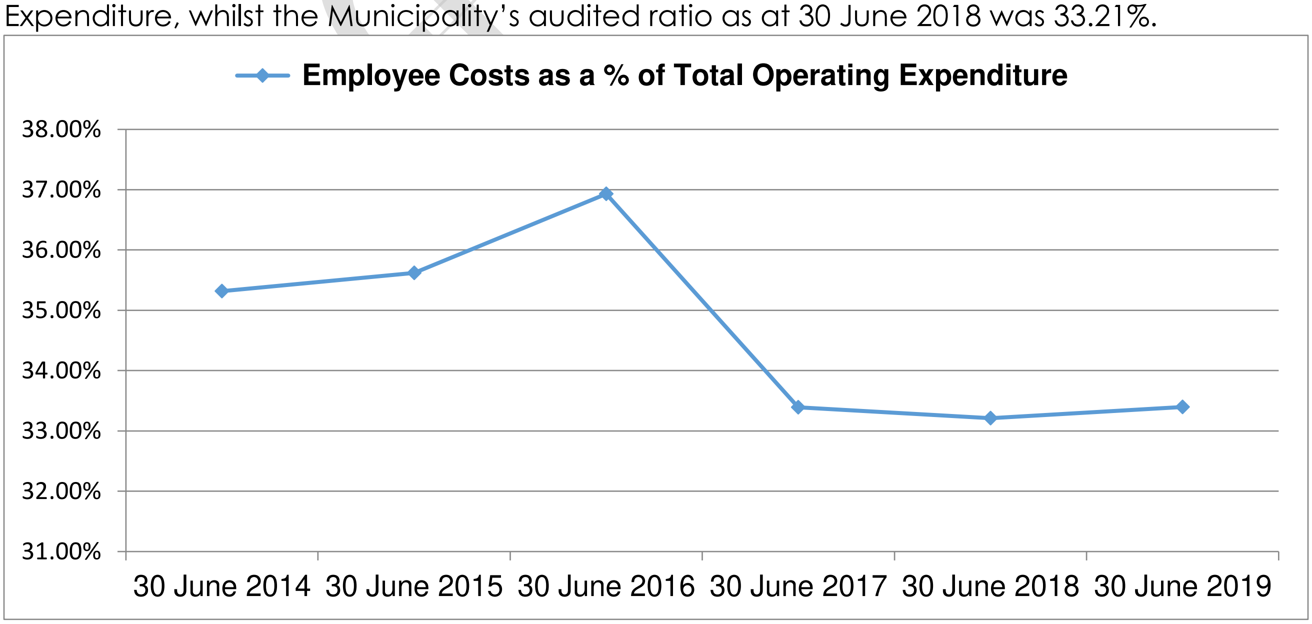
4.1.3.8 EMPLOYEE COSTS AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 June 2019, Employee Related Costs constituted 33.39% of the Total Operating Expenditure, whilst the Municipality's audited ratio as at 30 June 2018 was 33.21%.



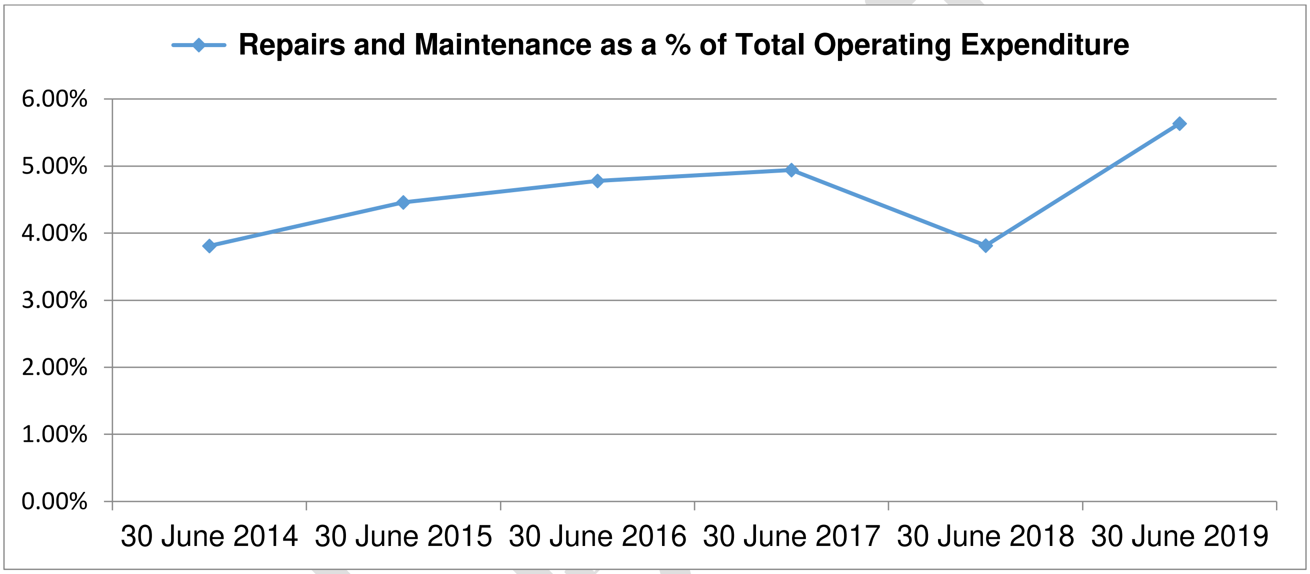
4.1.3.9 REPAIRS AND MAINTENANCE AS A % OF TOTAL OPERATING EXPENDITURE

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 30 June 2019, the Ratio was 5.63%, compared to the Municipality's audited ratio of 3.82% as at 30 June 2018.



4.1.3.10 REPAIRS AND MAINTENANCE AS A % OF THE BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT (PPE)

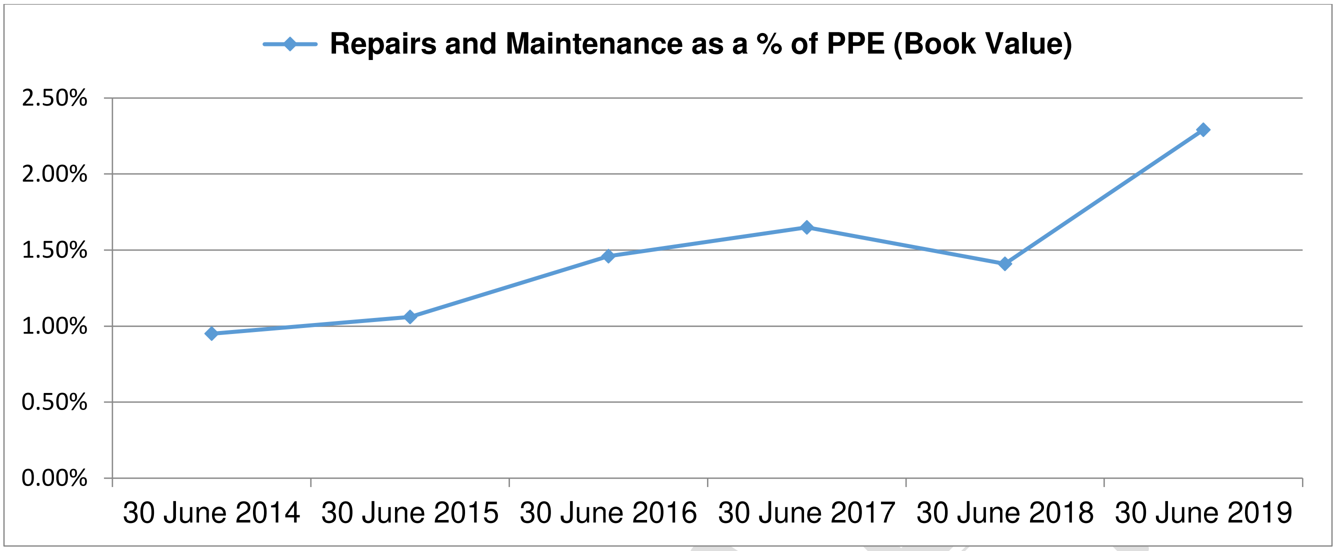
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 June 2019, repairs and maintenance expenditure constituted 2.29% of the book value of PPE. The Municipality's audited ratio as at 30 June 2018 was 1.41%.

In terms of the MFMA Circular No.71, the norm is 8%.



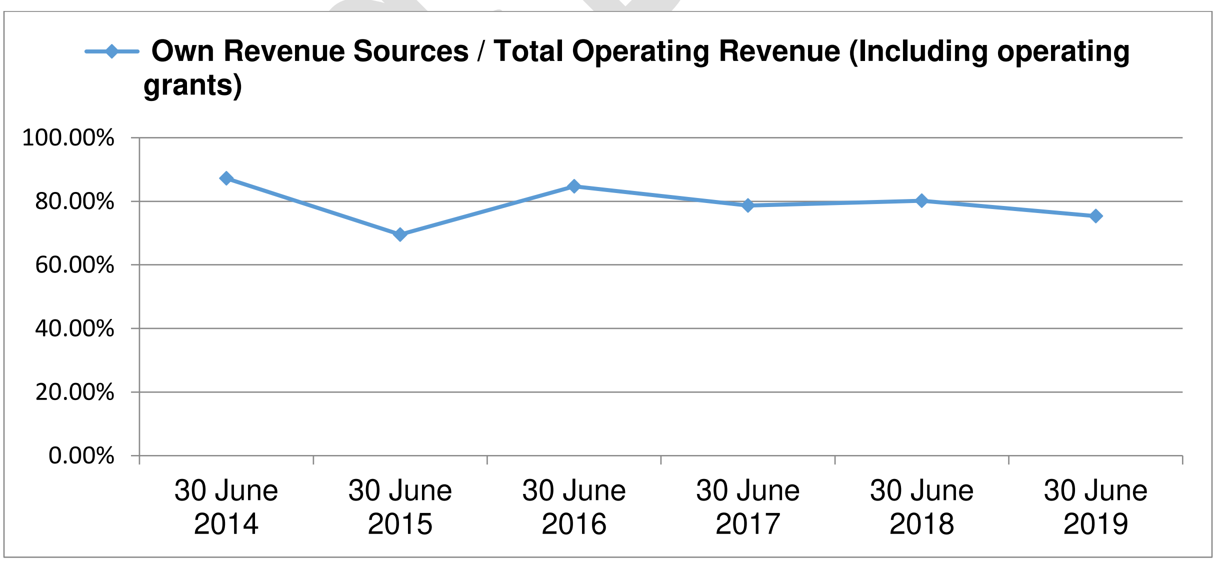
4.1.3.11 OWN REVENUE GENERATION

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 30 June 2019, the Municipality's own revenue sources constituted 75.36% of its total Operating Income. The Municipality's audited ratio as at 30 June 2018 was 80.22%.



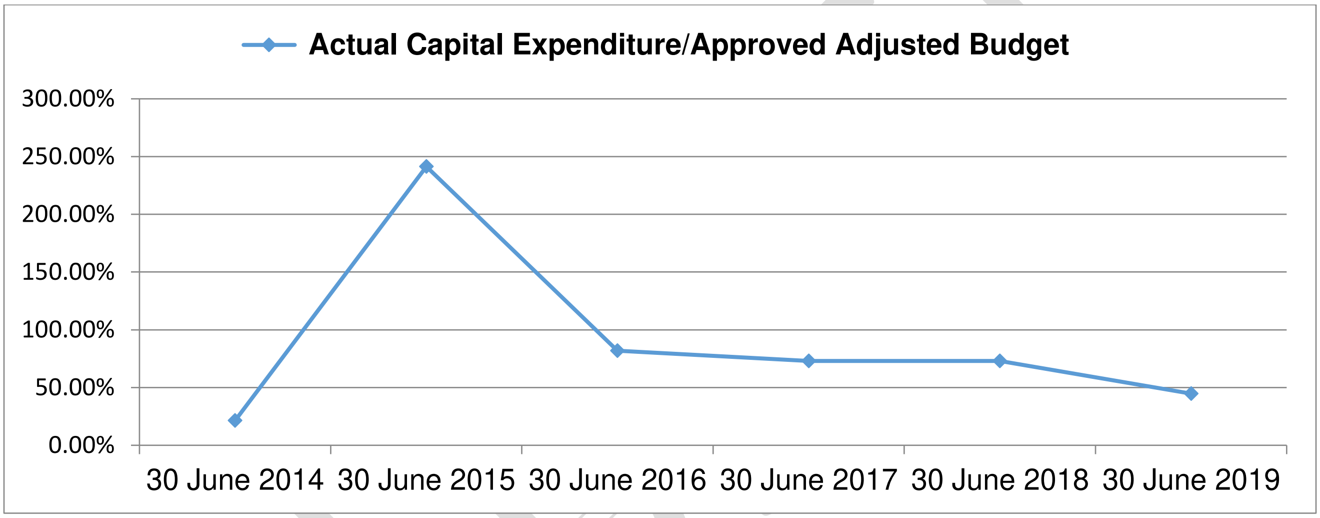
4.1.3.12 CAPITAL BUDGET SPENDING

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of June 2019 amounted to 44.59%, compared to the 2017/18 Capital Adjustments Budget. The Municipality's audited ratio as at 30 June 2018 was 72.98%.



4.1.3.13 ARREARS IN PROPERTY RATES AND SERVCIE CHARGES

(Refer to pages – of the Annual Financial Statements)

COMPONENT B: OTHER FINANCIAL MATTERS

4.2 SUPPLY CHAIN MANAGEMENT

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.

Compliance and Reporting

SARS Tax Compliance Status

The SCM officials are required to be listed as users on the SARS E-Filling account of the municipality, in order to verify the Tax Compliance Status of the Service Providers. Currently only one Supply Chain Management official has access, with the process of loading the other officials being under way.

National Treasury Centralised Supplier Database

Supply Chain Management Officials are listed on the National Treasury Centralised Supplier Database. The municipality has been added as a supplier on the National Treasury Centralised Supplier database, with the supplier number **MAAA0214163**.

Bid Committees

The committees mentioned below are established and functioning in accordance with the SCM Policy:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC) – Two BEC committees were established and started functioning in January 2019.
- Bid Adjudication Committee (BAC)

The committees are responsible for ensuring that the required procurement processes are followed in respect of formal tenders.

Bid Committee Meetings held during the first quarter of the 2018/19 financial year

	BSC	**BEC**	**BAC**
Chairperson	A. Perils	A. Koegelenberg	S. Thys
Number of meetings that took place.	11	14	7
Number of meetings cancelled	0	5	3
Provide reasons for all meetings not held as per scheduled dates.		No quorum and item representatives not attending	No Quorum

Bid Committee Meetings held during the second quarter of the 2018/19 financial year

	BSC	BEC	BAC
Chairperson	A. Perils	A. Koegelenberg	S. Thys
Number of meetings that took place.	10	15	8
Number of meetings cancelled	1 (2 Nov 2018)	1(15 Nov 2018)	1 (28 Nov 2018
Provide reasons for all meetings not held as per scheduled dates.	Postponed from 2 Nov 2018 to 5 Nov 2018	No quorum	Meeting was postponed due to revised agenda

Bid Committee Meetings held during the third quarter of the 2018/19 financial year

	BSC	BEC1	BEC2	BAC
Chairperson	A. Perils	A. Koegelenberg	C. Dreyer	S. Thys
Number of meetings that took place	7	14	3	8
Number of meetings cancelled	None	19 March 2019	27 March 2019	28 March 2019
Provide reasons for all meetings not held as per scheduled dates	n/a	No quorum	No quorum	No quorum

Bid Committee Meetings held during the fourth quarter of the 2018/19 financial year

	BSC	BEC1	BEC2	BAC
Chairperson	B. Perils	A. Koegelenberg	C. Dreyer	S. Thys
Number of meetings that took place	6	8	5	7
Number of meetings cancelled	None	3	0	2
Provide reasons for all meetings not held as per scheduled dates	n/a	no quorum.	n/a	No quorum

Training- Supply Chain/ Stores Section

Supply Chain Management Officials have been attending CPMD as from February 2019.

Vacancies as per approved Organogram of Supply Chain Management

There is currently only one vacant position in Supply Chain Management for a procurement officer to assist with the processing of requisitions and obtaining of quotations.

Monthly and Quarterly reports

Monthly deviations reports are submitted in terms of the SCM policy for the procurement of goods and services.

Monthly and quarterly reports are required to be submitted to Provincial Treasury and National Treasury, in respect of the procurement of goods and services. These reports were submitted in terms of paragraph 6 of the Supply Chain Management Policy.

Monthly reports are submitted to the Finance Portfolio Committee meetings

Seven Day Notices (Price Quotations) Awarded:

No seven (7) day notices were awarded for the period 01 July 2018 to 30 September 2018. A total of 31, Seven (7) day Notices was awarded from 1 October 2018 to 30 June 2019 and two was cancelled, (see details below):

1. Notice 99 of 2018, Appointment of Service Provider for the Refurbishment of Fire Fighting Tanker BLH197EC		
Contractor	**Amount**	**Date**
Pixifusion t/a Pro Alloy	R 184 680.34	17 October 2018
2. Notice 117 of 2018, Supply, Delivery, Installation and Commissioning of new PA System, Recording and Sound System		
Contractor	**Amount**	**Date**
Shellard Media Audio Visual Projects	R 198 104.75	29 October 2018
3. Notice 127 of 2018, Individual Screening		
Contractor	**Amount**	**Date**
Managed Integrity Evaluation	R105 832.60	30 October 2018
4. Notice 150 of 2018 Media Monitoring for a period of Twelve (12) Months		
Contractor	**Amount**	**Date**
Newsclip Media Monitoring	R 95 178.36	22 October 2018
5. Notice 176 of 2018 Supply and Delivery of 600m Oak Bare Conductor		

Contractor	Amount	Date
Abedare Cables	R 135 723.00	14 November 2018

6. Notice 185 of 2018 Supply and Delivery of Festive Lights		
Contractor	**Amount**	**Date**
Candi- Lite	R 196 560.00	15 November 2018
7. Notice 193 of 2018 Hiring of LDV's for the lifeguards for a period of 60 days		
Contractor	**Amount**	**Date**
Eco Care Hire	R 47 265.00	4 December 2018
8. Notice 203 of 2018 Hiring of Traffic Vehicles for the festive season 2x2x4 LDV'S and Sedans x5		
Contractor	**Amount**	**Date**
Eco Care Hire	R 105 486.02	13 December 2018
9. Notice 223 of 2018 - Pauper Burials		
Contractor	**Amount**	**Date**
Cancelled	n/a	December 2018
10. Notice 202 of 2018 Supply and Delivery of Super Computer Devices		
Contractor	**Amount**	**Date**
CHM Vumani Computer Solutions	R 98 537.96	21 Jan 2019
11. Notice 204 of 2018 Supply and Delivery of Protective Covers ad Tempered Glass Covered for Cell Phones		
Contractor	**Amount**	**Date**
Sky Metro Equipment	R 32 904.00	28 Jan 2019
CDC Civils and Projects	R 13 250.00	28 Jan 2019
12. Notice 224 of 2018 New Electrical Tariffs for 2019/2020		
Contractor	**Amount**	**Date**
Clinckscales Maughan and Brown South	R 122 176.00	08 Jan 2019
13. Notice 191 of 2018 Supply and Fitment of two ML150 Low Level bin lifters on Compactor Refuse Trucks		
Contractor	**Amount**	**Date**
Rencor Engineering	R 163 300.00	27 Feb 2019
14. Notice 2 of 2019 Supply and Delivery of Sports Uniforms & Equipment		
Contractor	**Amount**	**Date**
JK Tech Promo Pty Ltd	R 82 752.26	15 March 2019
15. Notice 201 of 2018 Oil Testing of Transformers		
Contractor	**Amount**	**Date**
Silver Solutions 435 CC	R18 739.30	16 April 2019
16. Notice 16 of 2019 Rehabilitation and waterproofing of the roof slab and ancillary works at the ICT Building		
Contractor	**Amount**	**Date**
Makwande Ukhanyiseko Construction	R148 583.38	17 April 2019

17. Notice 20 of 2019 Re-Advertisement: Supply, Delivery and Installation of Office Furniture- Infrastructure and Engineering		
Contractor	**Amount**	**Date**
Bidvest Waltons	R 35 199.88	30 April 2019

18. Notice 21 of 2019 Re-Advertisement: Supply, Delivery and Installation of Office Furniture – Planning, Development and Tourism		
Contractor	**Amount**	**Date**
Chair leaders Pty Ltd t/a reliance Furniture Contracts	R 181 832.25	18 April 2019
19. Notice 41 of 2019 Conduct a Risk Assessment for all High Risk Departments of Kouga Municipality		
Contractor	**Amount**	**Date**
Aurec Dealers CC t/a Falcon Fire Arm Academy	R 178 624.90	05 April 2019
20. Notice 43 of 2019 Supply, Delivery and Installation of Office Furniture - Corporate Services		
Contractor	**Amount**	**Date**
Workstation Pty Ltd	R72 422.90	05 April 2019
21. Notice 45 of 2019 Supply and Delivery of Converted Containers		
Contractor	**Amount**	**Date**
Container Consumables and Industrial Supplies	R111 090.00	05 April 2019
22. Notice 37 of 2019 Lease of one (1) single cab bakkie for Revenue Section		
Contractor	**Amount**	**Date**
cancelled	n/a	April 2019
23. Notice 64 of 2019 Supply and Delivery of Solar Light with Camera		
Contractor	**Amount**	**Date**
Solar Fabrication Solutions	R186 419.90	21 May 2019
24. Notice 35 of 2019 Supply and Delivery of Bunker Suits		
Contractor	**Amount**	**Date**
Bayzen Trading	R189 864.85	28 May 2019
25. Notice 62 of 2019 Review of Kouga Municipality Spatial Development Framework		
Contractor	**Amount**	**Date**
Umhlaba Consulting	R180 032.50	15 May 2019
26. Notice 54 of 2019 Supply and Delivery of Bullet Proof Vests		
Contractor	**Amount**	**Date**
Bayzen Trading	R144 897.34	11 June 2019

27. Notice 75 of 2019 Relocation and Extension of the 22KV Overhead line within Kouga Municipality			
Contractor		**Amount**	**Date**
Motheo Construction Group		R192 762.00	12 June 2019

28. Notice 83 of 2019 Supply and Delivery of Playpark Equipment for Thornhill Erf 891 & Loerie Erf 25		
Contractor	**Amount**	**Date**
Rhode Bros steel	R 145 590.00	28 June 2019

29. Notice 84 of 2019 Supply and Delivery of Hollow Spun Concrete Street Light Poles		
Contractor	**Amount**	**Date**
Setlatlapi Business Enterprises	R 197 245.81	21 June 2019
30. Notice 99 of 2019 Supply and Delivery of Solar Lights		
Contractor	**Amount**	**Date**
Primequest Upholstery t/a Dr Business Solutions	R 190 588.84	2 July 2019
31. Notice 100 of 2019 Supply and Delivery of Solar Lights with Camera		
Contractor	**Amount**	**Date**
Primequest Upholstery t/a Dr Business Solutions	R 190 427.16	2 July 2019
32. Notice 101 of 2019 Supply and Delivery of LPU Meters		
Contractor	**Amount**	**Date**
Ontek Systems Pty Ltd	R 191 755.83	2 July 2019
33. Notice 102 of 2019 Supply and Delivery of Converted Containers		
Contractor	**Amount**	**Date**
Lelopart Pty Ltd	R 125 925.00	27 June 2019

6B. Competitive Bids awarded for the period:

A total of thirty-eight (38) bids, four (4) variations on existing awards, four (4) section 32 awards, one Section 110 award and thirteen cancellations were done for the period 1 July 2018 to 30 June 2019.

1. Notice 2 of 2018 Appointment of a Professional Service Provider for an Environmental Impact Study and Cemetery Development		
Contractor	**Amount**	**Date**
SRK Consulting Pty Ltd	R 278 907.20	10 July 2018
2. Notice 53 of 2018 Supply, Delivery and Installation of Disaster Recovery Server for MSCOA		
Contractor	**Amount**	**Date**
Datacentrix Pty Ltd	R 740 721.53	10 July 2018
3. Appointment in terms of Section 110 (2) of MFMA, The Procurement of Mobile Devices for Officials for a 24 month contract.		

Contractor	Amount	Date
Telkom SA	R 2 200 000.00	31 July 2018
4. Notice 78 of 2018, Appointment of Service Provider for the Supply, Delivery and Installation of Office Furniture: Corporate Services		
Contractor	**Amount**	**Date**
Workstation Bidvest Waltons Mpuma Koloni Cooling & Electrical	Various rated items	14 September 2018

5. Notice 81 of 2018, Provision of Cash in Transit Services		
Contractor	**Amount**	**Date**
Fidelity Cash Solutions	R 39 171.30 per month	14 September 2018
6. Notice 84 of 2018 Supply, Delivery and Installation of Office Equipment (Printers, Copiers and Multifunction Machines: Lease Option)		
Contractor	**Amount**	**Date**
Sky Metro Equipment	Various Rated items	14 eptember 2018
7. Variation on Notice 1 of 2018 Protection Settings and Installation of new Protection relays in Jeffreys bay Substation		
Contractor	**Amount**	**Date**
Eya Bantu Professional Services	R 214 707.30	3 September 2018
8. Notice 95 of 2018 Document and Record Management (EDMRS) Capable Software, Document Imaging and Off-Site Storage		
Contractor	**Amount**	**Date**
Cancelled	n/a	14 September 2018
9. Notice 100 of 2018 Contract I & E 2 of 2018 Supply and delivery of Concrete Street Name Poles and Street Name Plates		
Contractor	**Amount**	**Date**
Wynford Civils & Development	Various Rated Items	14 September 2018
10. Award in terms of Section 32 from Mossel Bay Consultant fees – Electrification & Infrastructure Upgrade Project 2018/19 DOE		
Contractor	**Amount**	**Date**
Clinckscales Maughan Brown	– various rates	06 September 2018
11. Notice 78 of 2018, Appointment of Service Provider for the Supply, Delivery and Installation of Office Furniture: Corporate Services		
Contractor	**Amount**	**Date**
Workstation Bidvest Waltons	Various rated items	15 September 2018

Mpuma Koloni Cooling & Electrical		
12. Notice 87 of 2018 Construction and Conversion of Existing Building of Erf 273 Jeffreys Bay (old library)		
Contractor	**Amount**	**Date**
LR Projects CC	R 1 009 550.50	8 October 2018
13. Notice 100 of 2018 Contract I &E 1: Supply, Delivery of Pre-Cast Concrete Kerbs and various Pre-cast concrete units		
Contractor	**Amount**	**Date**
Summertree Civils Wynford Civils and Development	Various Rated items	15 October 2018

14. Notice 101 of 2018 Contract I &E 3: Resealing of Roads		
Contractor	**Amount**	**Date**
Civil Construction and Skills Training	Rates per Area	24 October 2018
15. Notice 115/2018 Supply and Delivery of a new Complete Set of Hydraulic Equipment		
Contractor	**Amount**	**Date**
cancelled	n/a	29 November 2018
16. Notice 137 of 2018 Supply and Delivery of Vehicles to Kouga Local Municipality- Traffic Department		
Contractor	**Amount**	**Date**
Clayton Damons Pty Ltd- item1	R 543 890.83	29 Nov 2018
Clayton Damons Pty ltd- item 2	R 234 902.68	29 Nov 2018
Sky Metro Equipment Pty Ltd- item 3	R 205 784.84	29 Nov 2018
17. Notice 82/2018 Consumer Accounts Printing and Mailing		
Contractor	**Amount**	**Date**
CAB Holdings	Various Rated Items	29 November 2018
18. Notice 97/2018 Appointment of Service Provider for an environmental Impact Assessment in Kruisfontein		
Contractor	**Amount**	**Date**
Ages Omega	R 452 282.84	29 November 2018
19. Notice 154/2018 Appointment of Service Provider for Bulk Infrastructure Work and Electrification of 237 Sub- Economic Houses		
Contractor	**Amount**	**Date**
Motheo Construction Group	R 8 923 904.55	9 November 2018
20. Notice 188 /2017 Contract IPD 2/2017 Variation order on Upgrading of St Francis Waste Water Treatment Works		

Contractor	Amount	Date
Prentec Pty Ltd	R 775 939.12	9 November 2018
21. Notice 118/2018 Supply and Delivery of Traffic Road Signs for a period of Two (2) years		
Contractor	**Amount**	**Date**
Thomson Khusela Pty Ltd Megaphase Road Signage Pty Ltd Mosadi Engineering Pty Ltd	Various Rated Items	14 December 2018

22. Notice 121/2018 Supply and Delivery of Chairs and Tables to Community Halls for a period of Two (2) years		
Contractor	**Amount**	**Date**
High End Properties Pty Ltd- Chairs Vukunjonge Trading-Tables	Various Rated Items	14 December 2018
23. Notice 144 /2018 Formulation of Kouga Local Economic Strategy		
Contractor	**Amount**	**Date**
Swanepoel H t/a HS Business Solutions	R 322 000.00	21 December 2018
24. Notice 152 /2018 Contract S2 Supply and Delivery of Electrical Requirements for period ending 30 June 2021		
Contractor	**Amount**	**Date**
Actom Electrical Products ARB Electrical Wholesalers Du Plooy JA t/a Echo Elektries Prolec Engineering Services Pty Ltd Obhejane Trading Pty Ltd Luke F. t/a Supreme Electrical Services Artivolt Pty Ltd	Various Rated Items	21 December 2018
25. Notice 152 /2018 Contract S3 Supply and Delivery of Electrical Cables for period ending 30 June 2021		
Contractor	**Amount**	**Date**
Actom Electrical Products Abedare Cables Pty Ltd Artivolt Pty Ltd Malesela Taihan Electric Cable Pty ltd t/a M-Tec	Various Rated Items	7 December 2018
26. Notice 155/2018 Supply and Delivery of Wheelie Bins for a period of Two (2) years		
Contractor	**Amount**	**Date**

MPact Plastic Containers	R471.50 per item	21 December 2018
27. Notice 225 of 2018 Contract I&E9 of 2018 Drought Intervention Project: Replacement of Water Reticulation on Oyster Bay		
Contractor	**Amount**	**Date**
Wavelengths Construction	R 350 243.13	17 January 2019
28. Notice 225/2018 Contract I&E11 of 2018 Drought Intervention Project: Replacement of Water Reticulation in Hankey		
Contractor	**Amount**	**Date**
Wavelengths Construction	R 6 150 000.00	17 January 2019

29. Notice 134 of 2018, Appointment of Architectural Service Provider for the Design of Mini Fresh Food Market and Craft Market		
Contractor	**Amount**	**Date**
RMA Business Trust / Raj Maharaj Architects	R 113 162.51	12 February 2019
30. Notice 135 of 2018 Construction of Pellsrus Sports Facility		
Contractor	**Amount**	**Date**
Techni Civils t/a Ikhono Projects	R 4 131 334.21	15 February 2019
31. Notice 120 of 2018 Hiring of Land fill Compactors		
Contractor	**Amount**	**Date**
cancelled	n/a	15 February 2019
32. Notice 136 of 2018 Supply and Delivery of Bullet Proof Vest		
Contractor	**Amount**	**Date**
Cancelled	n/a	15 Feb 2019
33. Notice 148 of 2018 Conduct a Risk Assessment for all High Risk Departments		
Contractor	**Amount**	**Date**
Cancelled	n/a	15 Feb 2019
34. Notice 165 of 2018 Wavecrest Sewer: Northern Outfall Bulk Sewer		
Contractor	**Amount**	**Date**
Dido SA Pty Ltd	R 1 293 695.26	15 Feb 2019
35. Notice 178 of 2018 Proposal for Recycling and Collection of Recyclable Waste for a period of three years		
Contractor	**Amount**	**Date**
MJ Joubert t/a Xtreme Recycling	No Cost to Kouga Municipality	15 Feb 2019
36. Notice 65 of 2018, Additional Bulk Water Supply (Desalination plant)		
Contractor	**Amount**	**Date**
Cancelled	N/a	15 Feb 2019
37. Notice 190 of 2018 Supply Delivery and Installation of New Backhoe Engine		
Contractor	**Amount**	**Date**
Cancelled	n/a	15 Feb 2019
38. Notice 205 of 2018 Document Imaging and Off-Site Storage		

Contractor	Amount	Date
Cancelled	n/a	15 Feb 2019
39. Notice 225 of 2018 Contract I&E7 of 2018 Drought Intervention Project: Upgrading of Jeffreys Bay Water Treatment Works		
Contractor	**Amount**	**Date**
Cancelled	n/a	15 Feb 2019
40. Notice 225 of 2018 Contract I&E 8 of 2018 Drought Intervention Project: Augmentation of Water Supply to Kruisfontein		
Contractor	**Amount**	**Date**
Cancelled	n/a	15 Feb 2019

41. Section 32 award from Sarah Baartman District Municipality: Municipal Finance Management Programme- other on Notice 16 of 2018 for a twelve month contract.		
Contractor	**Amount**	**Date**
Fachs Business Consulting and Training	R 383 650.01	27 February 2019
42. Notice 152 of 2018 Contract S3 Supply and Delivery of Stationary for a period ending 30 June 2021		
Contractor	**Amount**	**Date**
Cassim's Avbro Pty ltd Play and Learn Pty Ltd Hulee Enterprises Pty Ltd NTL Copies Pty Ltd Kaziscan Pty Ltd LCZ Holdings Sound Circuits Sibuluntu Trading & Projects Times Fomo Ads Pty Ltd	Various rated items	15 March 2019
43. Notice 166 of 2018 Contract S4 Supply and Delivery of Paper and Pre-printed Paper for a period ending 30 June 2021		
Contractor	**Amount**	**Date**
Bamb IAfrica Trading Bidvest Office t/a Waltons Premier Attraction t/a ZJS Distributors Women of Strength Omni technologies Sibuluntu Trading & Projects	Various rated items	15 March 2019
44. Notice 152 of 2018, Contract S1 Supply and Delivery of STS Electrical Prepaid Meters for period ending 30 June 2021		

Contractor	Amount	Date
• Landys and GYR Pty Ltd • Actom Electrical Products a division of actom	Various rated items	17 April 2019
45. Notice 208 of 2018, Appointment of a Service Provider to Facilitate the publication of official notices in the printed media for a 3 year period		
Contractor	**Amount**	**Date**
Sondlo & Knopp Pty Ltd	Various Rates Items	17 April 2019
46. Notice 169 of 2018 Supply and Delivery of LDV's to Kouga Municipality		
Contractor	**Amount**	**Date**
Cancelled	N/A	11 April 2019

47. Notice 22 of 2019, Supply and Delivery Miniature Substation		
Contractor	**Amount**	**Date**
Actom a Division of Actom Electrical	Various Rates	17 May 2019
48. Notice 226 of 2018, Appointment of Service Provider for the Management of Short Term Insurance		
Contractor	**Amount**	**Date**
Cancelled	N/a	17 May 2019
49. Notice I&E 11 of 2018, Variation: Replacement of Water Reticulation in Hankey		
Contractor	**Amount**	**Date**
Wavelenghts Construction CC	R 1 183 923.45	17 May 2019
50. Notice 179 of 2017, Variation: Rental of Office Space		
Contractor	**Amount**	**Date**
Bambelela Property development	R 1 295 551.92	17 May 2019
51. Notice I&E 10 of 2018, Appointment of Service Provider for the Replacement of Water Reticulation in Patensie		
Contractor	**Amount**	**Date**
Siyaya Khaya Construction	R 9 515 387.50	20 May 2019
52. Notice 153 of 2018, Hire of Plant for a period of three (3) years		
Contractor	**Amount**	**Date**
Scribante Construction JBay Plant Hire Aqua Transport	Various Rates	20 May 2019
53. Notice 206 of 2018, Appointment of Accredited Service Provider to Facilitate Learning Programmes		
Contractor	**Amount**	**Date**
Ilinge Labantu Debt Solutions	Various Rates	May 2019

Nokusho M Consultancy and Trading Imbawula Civil Projects		
54. Section 32 award from Sarah Baartman District Municipality: Notice 52 of 2017: Asset Management System Support Services for the Asset Dept for GRAP Compliant Asset Register to improve audit outcomes.		
Contractor	**Amount**	**Date**
A2A Kopano Incorporated	R 383 650.01	May 2019
55. Notice 166/2018 Contract I&E 5 of 2018, Supply and Delivery of Bricks, Aggregate, Sand and Pavers for a period of 3 years		
Contractor	**Amount**	**Date**
Cancelled	n/a	June 2019

27.

56. Notice 228/2018 Call for Proposals for the calculation of VAT Apportionment for a period of 3 years		
Contractor	**Amount**	**Date**
Cancelled	n/a	June 2019
57. Notice 11/2019, Supply and Install Precast Concrete Palisade Fence for a three years period		
Contractor	**Amount**	**Date**
Yonke Imihla Building Solutions t/a JB Fencing and Civils	Various rated items	27June 2019
58. Notice 14/2019, Supply and Delivery of Patrol Vehicles to Kouga local Municipality for a three year period		
Contractor	**Amount**	**Date**
Fleet Horizon Building- item 1- sedan	R277 604.42	24June 2019
Sky Metro equipment Pty Ltd- Item 2 LDV Pick Up	R225 814.00	24 June 2019
59. Notice 15/2019, Supply and Delivery of new 6000 Litre Fire fighter Tanker		
Contractor	**Amount**	**Date**
Cancelled	n/a	June 2019
60. Notice 49/2019, Supply and Delivery of Mobile Ablution Facility		
Contractor	**Amount**	**Date**
Container Consumables and Industrial Supplies CC	R107 007.50	27June 2019
61. Continuation of Section 32 award from Department of Water and Sanitation for the Drilling and Rehabilitation of Boreholes in South Africa		
Contractor	**Amount**	**Date**
Steyns Drilling	Various rates	12 Oct 2017

6C. Operational Deviations for the period below R30 000.00:

The breakdown per directorate for the period 1 July 2018 to 30 June 2019, is as follows:

Total Expenditure for Operational Deviations per Directorate	
Finance	R 118 734.06
Community Services	R 458 150.84
Infrastructure and Engineering	R 399 522.99
Corporate Services	R 163 4382.18
Planning, Development and Tourism	R 83 197.70
Total	R 2 693 987.77

6D. Section 36 Deviations in terms of Supply Chain Management Policy

The section 36 deviations for the period amounted to R 45 672 236.94.

Below find the breakdown per section and directorate:

2018/19 S36 DEVIATION TOTAL PER SECTION/ DIRECTORATE				
FINANCE - BUDGET & TREASURY	R	304 520,00		
FINANCE: STORES	R	-		
FINANCE: IT	R	132 467,95		
FINANCE -TOTAL			**R**	**436 987,95**
INFRASTRUCTURE & ENGINEERING: TECHNICAL SERVICE (ROADS/WATER/CHEMICALS/SEWERAGE/PROFESSIONAL FEES)	R	29 481 059,58		
INFRASTRUCTURE & ENGINEERING: ELECTRICAL	R	1 049 019,65		
INFRASTRUCTURE & ENGINEERING: FLEET	R	3 169 082,20		
INFRASTRUCTURE & ENGINEERING TOTAL			**R**	**33 699 161,43**
CORPORATE SERVICES: SKILLS DEVELOPMENT	R	23 204,70		
CORPORATE SERVICES: HR	R	182 905,10		
CORPORATE SERVICES: ARCHIVES	R	30 912,00		
CORPORATE SERVICES TOTAL			**R**	**237 021,80**
OFFICE OF MM: LEGAL FEES	R	2 155 368,22		
OFFICE OF MM: OTHER	R	349 256,51		

OFFICE OF MM		**R**	**2 504 624,73**
COMMUNITY SERVICES: FIRE DEPARTMENT / DISASTER MANAGEMENT	R 523 855,00		
COMMUNITY SERVICES SERVICES: TRAFFIC DEPARTMENT/LAW ENFORCEMENT	R 135 261,30		
COMMUNITY SERIVICES/REFUSE/ ENVIRONMENTAL HEALTH	R 7 987 869,75		
COMMUNITY SERVICES TOTAL		**R**	**8 646 986,05**
TOURISM, PLANNING & DEVELOPMENT: LED/TOURISM/HOUSING/TOWN PLANNING	R 147 545,00		
TOURISM, PLANNING & DEVELOPMENT- TOTAL		**R**	**147 545,00**
TOTAL AMOUNT OF DEVIATION FOR 2018/19 FIN YR		**R**	**45 672 326,96**

4.3 RISK MANAGEMENT

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation.

The management of risk by implication is a managerial function, even though individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

In our continuously changing governance environment, it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources at its disposal.

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

The table below indicate the top five risks within the Municipality:

1	Housing Backlog	1. Insufficient suitable land 2. Wrongful allocation of houses 3. Lack of Integrated ITC system 4. Lack of integration between finance and housing i.e Lack of Alignment and integration of sector plans (HSP, Infra Master Plans, LED Strategy) 5. Inadequate bulk infrastructure 6. Lack of funding for upgrading of bulk
2	Lack of bulk infrastructure (Elec, water, sewerage, roads, Stormwater, waste)	1. Inability to plan for developments occurring in Kouga (linked with no.4) 2. Lack of strategic planning by Infrastructure Department (linked with no.4) 3. Lack of availability of land (cemeteries) 4. Lack of bulk infrastructure master plan (Elec, water, sewerage, roads, Stormwater) 5. Lack of funding and management of augmentation (not utilized for upgrading of infrastructure) 6. Lack of integration in planning and development (housing and infrastructure)
3	Containment of Non-Revenue and actual Water and electricity losses	1. Linking of meters with Erven not completed 2. Illegal connections 3. Tampering 4. Incorrect classification as qualifying for lower electricity 5. Incorrect billing data and information
4	Natural Disasters	1. Floods 2. Fires 3. Droughts 4. Beach Erosion 5. Storms

5	Lack of skilled work force	1. Non-integration of the manual and electronic leave system, and poor reconciliation thereof 2.Lack of succession / substitution plans 3. Mismatch of skills 4. Lack of relevant experience 5. Lack of skills transfer to junior staff 6. Lack of training opportunities (staff were not training) 7. Lack of qualified staff/ (formal qualifications)

4.4 FRAUD AND ANTI-CORRUPTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in supply chain management system to minimise the likelihood of corruption and fraud.

The Anti-corruption strategy and fraud prevention strategy were both approved on the 1 August 2017. There were no corrupt practices reported and therefore the employees seem to be aware of the section 3 contained in the Prevention and Combating of Corrupt Activities Act (No.12 of 2004).

4.5 ICT GOVERNANCE

The Accounting Officer is ultimately responsible for the Information Technology Governance and Security functions. The responsibility for implementation and monitoring of technology governance and security related frameworks is delegated to the Information Communication Section within the Finance Department (FIN: ICT) which ensures adequate management and reviews of the ICT Governance Charter & ICT Strategic Plan.

ICT Corporate Governance framework

The ICT governance framework and policies were developed in October 2016.

Key IT Governance policies / documents:

- Corporate Governance of ICT Policy
- ICT Charter
- ICT Strategy
- ICT Risk Management Framework / ICT Risk Register
- ICT Policy Framework
- ICT Disaster Recovery Policy / Plan
- ICT Governance Implementation Roadmap

The ICT Steering Committee

The ICT Steering Committee (ICTSC) is a mechanism that assists those responsible for IT, to ensure that ongoing IT operations and systems are aligned with the strategic plan and ultimately the IDP. In addition, IT related risks, projects, audit issues and required systems changes are managed. The (ICTSC) is chaired by the municipal manager and assisted by the IT Manager and directors of other departments. The ICTSC's main function is to propose and approve strategic initiatives that are envisaged to enhance and improve IT systems and facilitate the organisation to become more effective.

IT Related Projects

The mSCOA project was a major shift in financial reporting and the ICT Department played a magnificent role with the upgrading of the Server Infrastructure to ensure that the organisation is ready to transact on the new financial platform as prescribed by national treasury.

COMPONENT A: INSTITUTIONAL SDBIP IMPLEMENTATION SCORECARD: 2018/19

KEY PERFORMANCE AREA			**INFRASTRUCTURE AND BASIC SERVICE DELIVERY**						
IDP PRIORITY			IDP 01		Eradication of Bucket Sanitation Systems				
OBJECTIVE			To provide residents with acceptable levels of sanitation systems						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure of the budget provided for the bucket eradication program (Target changed by Council with the roll-over of funding to the 2019/20 year)	% expenditure of the budget provided for the bucket eradication program	R2 300 000	N/A	Tender advertised 30 November 2018	50% expenditure of the budget provided for the bucket eradication program	100% expenditure of the budget provided for the bucket eradication program	• Tender notice • Payments made against budget	Dir. I&E	New
ACHIEVEMENT		: Negotiations with Metro not successful with regard to take over of mobile units. Tender advert for supply and delivery of mobile ablution facilities was advertised under notice 49/2019. Tenders closed 25 April 2019. Tender awarded 27 June 2019. Council approved the roll-over of funding to the 2019/20 after being informed that the negotiations for the take-over of mobile toilet units were unsuccessful.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGET				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% of formal households have access to sanitation services (Sanitation includes bucket, conservancy tanks, chemical toilets, septic tanks, small bore, VIP and water borne)	% of formal households (exclusive of vacant sites) have access to sanitation services	R Operational	100% of formal households have access to sanitation services	100% of formal households have access to sanitation services	100% of formal households have access to sanitation services	100% of formal households have access to sanitation services	New connections and service accounts	Dir. I&E	100%
ACHIEVEMENT		All formal households have access to sanitation services							
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure on upgrading of Northern Bulk main outfall sewer	% expenditure on upgrading of Northern Bulk main outfall sewer	R1 200 000	N/a	Tender advertised	50% expenditure on upgrading of Northern Bulk main outfall sewer	100% expenditure on upgrading of Northern Bulk main outfall sewer	Payment Certificates	Dir I&E	New
ACHIEVEMENT		Tender awarded 15/2/2019. Award amount R 1,293,695.26 Vat Incl. Site Handover 8 March 2019.Commmencment date 11 March 2019.Expected completion date 6 Sep 2019.Expenditure as at 30 June 2019 = R 585,788.56 Vat Incl Paid. (45%.)							

100% expenditure on fencing of Loerie sewer pumpstation , (Target changed by Council funds redirected towards drought relief)	% expenditure on fencing of Loerie sewer pumpstation	R900 000	N/a	Tender advertised	50% expenditure on fencing of Loerie sewer pumpstation	100% expenditure on fencing of Loerie sewer pumpstation	Payment certificates	Dir I&E	New
ACHIEVEMENT		Own Capital funded budget was re prioritised to fund drought projects (Drilling) Budget for fencing was utilized for drought relief purposes.							
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure on upgrading of Sea Vista treatment works	% expenditure on upgrading of Sea Vista treatment works	R18 503 132	25% expenditure on upgrading of Sea Vista treatment works	50% expenditure on upgrading of Sea Vista treatment works	75% expenditure on upgrading of Sea Vista treatment works	100% expenditure on upgrading of Sea Vista treatment works	Payment certificates	Dir I&E	New
ACHIEVEMENT		Expenditure at 100% as at 30 June 2019.							
100% expenditure on the upgrading of the Kruisfontein Waste water treatment works	100% expenditure on the upgrading of the Kruisfontein Waste water treatment works	R2 173 913	N/a	Tender advertised and awarded	50% expenditure on the upgrading of the Kruisfontein Waste water treatment works	100% expenditure on the upgrading of the Kruisfontein Waste water treatment works	Payment certificates	Dir I&E	New
ACHIEVEMENT		Expenditure at 100% as at 30 June 2019.							

IDP PRIORITY			IDP 02		Formalize illegal electricity connections and reduce electricity losses				
OBJECTIVE			Provide residents in formal areas with access to electricity (Exclusive of areas serviced by ESKOM)						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% of formal residential areas provided with access to electricity services (Exclusive of areas serviced by ESKOM and NMBM)	% of formal residential areas provided with access to electricity services	R Operational	100% of formal residential areas provided with access to electricity services	100% of formal residential areas provided with access to electricity services	100% of formal residential areas provided with access to electricity services	100% of formal residential areas provided with access to electricity services	Approved housing development applications	Dir. I&E	100%
ACHIEVEMENT		Expenditure 100% at the end of June 2019. All formal houses are now fully electrified							
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Reduce electricity losses to 12% (Losses Includes technical losses of 8%)	% electricity not accounted for between electricity purchased and electricity sold	Operational	1 Report per quarter on progress made with curbing electricity losses	1 Report per quarter on progress made with curbing electricity losses	1 Report per quarter on progress made with curbing electricity losses	Electricity losses reduced to 12% (Inclusive of technical losses	% electricity not accounted for between electricity purchased and electricity sold	Dir. I&E	New
	ACHIEVEMENT		Electricity losses increased from 12% to 15% due to increased meter tampering and electricity theft.						

	Due date compliance with the submission of the funding application	Operational	Submit application for funding for the conversion of illegal connections to legal connections by 30 September 2018	Report progress with application	Report progress with application	Funding application submitted by 30 September 2018	Application submitted	Dir. 1&E	New
ACHIEVEMENT		Application for funding for electrification of illegal connection will follow after engagement with regional office of DoE to in EC, the procedure will be explained to municipalities. R1 million made available in the 2019/20 financial year to eradicate electrical losses							
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure of budget allocation for the formalization of electrical connections in informal areas (300 new connections to reduce illegal connections)	% expenditure of budget allocation for the formalization of electrical connections in informal areas	R1 000 000	N/a	Tender advertised 30 November 2018	50% expenditure of budget allocation for the formalization of electrical connections in informal areas	100% expenditure of budget allocation for the formalization of electrical connections in informal areas	% expenditure of budget allocation on the vote for the formalization of electrical connections in informal areas	Dir. I&E	New
ACHIEVEMENT		R 1 million was spend in the financial year 2018/19 100%.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGET				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% budget expenditure for the electricity meter replacement program	Preparations for meter replacements during the 2019/20 year	Operational (No funding provided on budget for meter replacement)	N/a	N/a	Prepare budget submissions for meter replacements during the 2019/20 year by 31 January 2019	Budget submissions for meter replacements done by 31 January 2019	% expenditure of budget allocation on the vote for the electrical meter replacement program	Dir. I&E	New
ACHIEVEMENT		This is operational and stores already received 200 meters for the first installations, these meters will be utilised to target non-paying consumers the enhance revenue.							
100% expenditure of Department of Energy grant funding	% expenditure of Department of Energy grant funding	R8 869 565	N/a	Tender advertised 30 November 2018	50% budget expenditure	100% budget expenditure	Proof of grant funding received and expenditure on the vote	Dir. I&E	100%
ACHIEVEMENT		The project was successfully completed, 237 new connections to formal houses were made to complete the Kruisfontein 391 project.							

IDP PRIORITY			IDP 03		Melkhout to Jeffreys Bay Main 66kv line				
OBJECTIVE			To increase electricity supply to cater for housing development and needs						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Upgrade Melkhout to Jeffreys Bay main line (Servitude) 100% expenditure of funding provided to maintain servitude	% budget expenditure for the upgrading of the Melkhout Line to maintain servitude rights	R3 000 000	N/a	N/a	50% expenditure of funding for Melkhout upgrade so as to maintain servitude rights	100% expenditure of funding for Melkhout upgrade so as to maintain servitude rights	Payment certificates	Dir. I&E	New
ACHIEVEMENT		Land were procured in the servitude from farmers and a transformer bay were secured for our connection point to proposed new line							

IDP PRIORITY			IDP 04		Address water crisis in the Kouga Municipal Area				
OBJECTIVE			Provide a sustainable potable water sources and supply to the residents of Kouga						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure of funding provided for investigations and borehole infrastructure capacity into alternative ground water	% expenditure of funding provided for investigations and borehole infrastructure capacity, into alternative ground water	R1 400 000	N/a	10% expenditure of funding provided for investigations and borehole infrastructure capacity, into alternative ground water	70% expenditure of funding provided for investigations and borehole infrastructure capacity, into alternative ground water	100% expenditure of funding provided for investigations and borehole infrastructure capacity, into alternative ground water	Budget expenditure	Dir. I&E	New
ACHIEVEMENT		All funds utilized							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGET				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Submit application for funding for disaster water funding National Disaster Fund	Due date compliance with the submission of the application for disaster water funding	Operational	Application submitted for disaster water funding by 30 September 2018	Application submitted for disaster water funding by 30 September 2018	Application submitted for disaster water funding by 30 September 2018	Application submitted for disaster water funding by 30 September 2018	Proof of submission	Dir. I&E	New
ACHIEVEMENT		Done Funding to the value of R151m received							
100% of resident in formal residential areas have access to water	% of resident in formal residential areas have access to water	Operational	100% of resident in formal residential areas have access to water	100% of resident in formal residential areas have access to water	100% of resident in formal residential areas have access to water	100% of resident in formal residential areas have access to water	New applications	Dir. I&E	100%
ACHIEVEMENT		100% of formal residential properties have access to potable water.							
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% of informal households have access to water within a 200m radius	% of informal households have access to water within a 200m radius	Operational	100% of informal households have access to water within a 200m radius	100% of informal households have access to water within a 200m radius	100% of informal households have access to water within a 200m radius	100% of informal households have access to water within a 200m radius	Mapped standpipe locations	Dir. I&E	100%
ACHIEVEMENT		Informal settlements have access to communal taps within a 200m radius							

100% expenditure on water meter replacement program	% budget expenditure on water meter replacement program	R100 000	N/a	Tender advertised 30 November 2018	50% expenditure on water meter replacement program	100% expenditure on water meter replacement program	% expenditure of budget for water meter replacement	Dir. I&E	New
ACHIEVEMENT		100% expenditure achieved							

IDP PRIORITY			IDP 06		Extension and tarring of roads in the Kouga municipal area				
OBJECTIVE			To provide residents and visitors with high quality road networks						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Paving of entrances to two (2) townships	Number of entrances to townships paved	R (Allocate from Roads R 2.5 mil)	N/a	Plan design and identify entrances to be upgraded by 30 November 2018	1 entrance to a township paved	2 entrances to townships paved	Expenditure reports	Dir. I&E	New
Achievement		Blackberry link road surfaced. Jeffery's Bay Kerbing provided Jacob/Booyce Street Arcadia. Entrance to Maak n Las kerbed and premixed. Entrances to Kwanomzamo from Park street kerbed and premixed.							
100% expenditure of road upgrade budget	% expenditure of road upgrade budget	R2 500 00	Tender advertised	Tender appointed	50% expenditure of road	100% expenditure of road upgrade budget	Roads vote expenditure reports	Dir. I&E	New
ACHIEVEMENT		Expenditure = R 2,213,677.00 (89%)							

IDP PRIORITY			IDP 07		Acquire land and develop 2 cemeteries in the Kouga Area				
OBJECTIVE			To provide residents of Kouga with adequate burial facilities						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Identify land for additional cemeteries by 30 June 2019	Due date compliance with the identification of land for additional cemeteries	Operational	N/a	N/a	N/a	Land for 2 additional cemeteries identified by 30 June 2019	Minutes of the meeting of Council where the report on additional land for cemeteries was submitted	Dir. PDT	New
ACHIEVEMENT		The land for cemeteries was identified in the last financial year and the EIA is currently underway.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGET				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Develop a cemetery master plan for Kouga Community	Due date compliance with the development of a cemetery master plan	R150 000	Tender advertised	Tender awarded	Service provider commenced	Cemetery Master Plan completed by 30 June 2019	Minutes of the meeting of Council where the Cemetery Master Plan was submitted	Dir. Com	New
ACHIEVEMENT		No progress on the Cemetery Master Plan, prioritized for the 2019/20 Financial Year.							

IDP PRIORITY			**IPD 08**		Acquire land for housing in Kwanomzamo (Ward 6)				
			IDP 09		Acquire land for housing for Loerieheuwel (De Wet Farm) (Ward 7)				
OBJECTIVE			To provide adequate housing to residents of Ward 6						
			Provide adequate housing to the residents of Ward 7						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Identify land suitable for housing development	Land acquired for Kwanomzamo	R1 000 000	Report on progress with negotiations	Report on progress with negotiations	Report on progress with negotiations	Additional land acquired for Kwanomzamo Ward 6	Proof of acquisition	Dir. PDT	New
Identify land suitable for housing development	Land acquired for Loerie Heuwel		Report on progress with negotiations	Report on progress with negotiations	Report on progress with negotiations	Additional land acquired for Loerie Heuwel Ward 7	Proof of acquisition	Dir. PDT	New
ACHIEVEMENT		Farm 689, portion 13 & 8 in Humansdorp (Ward 6) and Loerie River Farm 436, portion 38 and 98 (Ward 7) were acquired for Human Settlements. The deed of sale has been signed and endorsed by Council.							

IDP PRIORITY			IDP 10		Upgrade and maintain public ablution facilities to an acceptable standard				
OBJECTIVE			T provide clean and safe public ablution facilities to residents and visitors						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% expenditure of the budget provided for the upgrading/ maintenance of public ablution facilities	% expenditure of the budget provided for the upgrading/ maintenance of public ablution facilities	R 125 000	10% expenditure of the budget provided for the upgrading and maintenance of public ablution facilities	50% expenditure of the budget provided for the upgrading and maintenance of public ablution facilities	75% expenditure of the budget provided for the upgrading and maintenance of public ablution facilities	100% expenditure of the budget provided for the upgrading and maintenance of public ablution facilities	% expenditure of the budget provided for the upgrading and maintenance of public ablution facilities	Dir. Com	New
ACHIEVEMENT									

2018/19 Financial Year
Repairs and maintenance of public ablution facilities

Beaches	V202_OWNDE	V202_ITEMDE	Amended Budget	Actuals Total	Diff as per	Exp by per%
20180716060622	Beach	Contractors:Maintenance of Buildings and Facilitie	825 000,00	823 738,23	1 261,77	100%
20170702071187	Beach	Contractors:Maintenance of Equipment	42 400,00	42 345,20	54,80	100%
20170702072292	Beach	Consumables:Standard Rated	30 000,00	13 538,04	16 461,96	45%
20170702072304	Beach	Consumables:Zero Rated	19 327,00	36 660,25	(17 333,25)	190%
20170702072346	Beach	Materials and Supplies	106 000,00	105 434,22	565,78	99%
			1 022 727,00	1 021 715,94	1 011,06	100%

Blue Flag

20170702071131	Blue Flag	Contractors:Maintenance of Buildings and Facilitie	30 000,00	29 014,81	985,19	97%
20170702071208	Blue Flag	Contractors:Maintenance of Unspecified Assets	5 000,00	1 563,48	3436,52	31%
20170702072305	Blue Flag	Consumables:Zero Rated	46 086,00	49 098,36	-3012,36	107%
20170702072343	Blue Flag	Materials and Supplies	110 000,00	109 916,53	83,47	100%
			191 086,00	189 593,18	1 492,82	99%

IDP PRIORITY			IDP 11		Maintenance and repairs to caravan parks in the Kouga Area				
OBJECTIVE			To provide high quality recreational facilities to residents and visitors to Kouga						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Fencing of facilities (Caravan Parks)	% completion of fencing of caravan parks scheduled for fencing	R500 000	Tender advertised	Tender awarded by 31 October 2018	50% completion of fencing of caravan parks scheduled for fencing	100% completion of fencing of caravan parks scheduled for fencing	Payment certificates for fencing installed	Dir. Com	New
ACHIEVEMENT		Fencing of the Jeffreys Bay and Pellsrus Caravan Parks done.							
Install surveillance cameras (Caravan Parks)	Due date compliance with the installation of surveillance cameras	R150 000	Quotations for surveillance cameras awarded	Cameras installed by 30 November 2018	Cameras installed by 30 November 2018	Cameras installed by 30 November 2018	Payment certificates for installation of surveillance cameras	Dir. Com	New
ACHIEVEMENT		Surveillance Cameras installed.							

TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGET**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Painting and repairs of Caravan Parks	% completion of painting and repairs for caravan parks scheduled for upgrade	Operational	50% completion of painting and repairs for caravan parks scheduled for upgrade	100% completion of painting and repairs for caravan parks scheduled for upgrade by 30 November 201	100% completion of painting and repairs for caravan parks scheduled for upgrade	100% completion of painting and repairs for caravan parks scheduled for upgrade	Before and after photos	Dir. Com	New
ACHIEVEMENT		Caravan Parks upgraded.							

IDP PRIORITY			IDP 12		Maintenance and repairs to community halls				
OBJECTIVE			To ensure that residents and visitors have decent facilities for functions						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Fencing of facilities (Community Halls)	% completion of fencing of community halls scheduled for fencing	R(R500 000 for sport and rec facilities must be spilt)	Tender advertised	Tender awarded by 31 October 2018	50% completion of fencing of community halls	100% completion of fencing of community halls scheduled for fencing	Payment certificates for fencing installed	Dir. Com	New
ACHIEVEMENT		Fencing of Kruisfontein Community Hall was completed.							
Painting and repair of facilities (Community Halls)	% completion of painting and repairs for community halls scheduled for upgrade	R (R500 000 for sport and rec facilities must be spilt)	25% completion of painting and repairs for community halls	50% completion of painting and repairs for community halls 30 November 2018	75% completion of painting and repairs for community halls scheduled for upgrade	100% completion of painting and repairs for community halls scheduled for upgrade	Before and after photos	Dir. Com	New
ACHIEVEMENT		Maintenance and repairs completed at the Aston Bay Community Hall.							

IDP PRIORITY			IDP 13		Initiate and develop climate change projects				
OBJECTIVE			To ensure that residents and visitors have a clean and safe environment						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Initiate climate change projects in collaboration with German partners	Number of reports (4 reports at 1 report per quarter) submitted on the implementation of climate change projects in collaboration with the German partners	Operational	Report 1/4 submitted on progress with the implementation of climate change projects in collaboration with the German partners	Report 2/4 submitted on progress with the implementation of climate change projects in collaboration with the German partners	Report 3/4 submitted on progress with the implementation of climate change projects in collaboration with the German partners	Report 4/4 submitted on progress with the implementation of climate change projects in collaboration with the German partners	Minutes of the meeting of Council where the implementation reports were submitted (1 report per quarter)	Dir. Com	New
ACHIEVEMENT		Progress reports submitted							

IDP PRIORITY			IDP 15		Procure new vehicles for the Traffic Department				
OBJECTIVE			To ensure that road and traffic services are rendered in the Kouga Municipal area						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Comply with expenditure targets	% expenditure on the acquisition of new vehicles for Traffic	R4 000 000	Tender advertised by 31 July 2018	Tender awarded by 15 October 2018	90% expenditure of budget for new traffic vehicles	90% expenditure of budget for new traffic vehicles	Expenditure report on the acquisition of traffic vehicles	Dir. Com	New
ACHIEVEMENT		90% of acquisitions for traffic vehicles were done and completed in Quarter 3							
IDP PRIORITY			IDP 16		Install CCTV cameras at key municipal offices, depo and open spaces				
OBJECTIVE			To provide residents with a safe secure environment						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Install surveillance cameras (At municipal offices, depots and areas	Due date compliance with the installation of surveillance cameras	R (R150 000 for cameras must be spilt)	Quotations for surveillance cameras awarded	Cameras installed by 30 November 2018	Cameras installed by 30 November 2018	Cameras installed by 30 November 2018	Payment certificates for installation of surveillance cameras	Dir.Com	New
ACHIEVEMENT		CCTV Cameras installed for the Traffic and Fire Department Offices							

IDP PRIORITY			IDP 18		Replace the roof at the St Croix str workshop/store				
OBJECTIVE			To provide decent and safe working areas to the staff of the municipal buildings						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Repair the St Croix str Workshop/store roof by 30 June 2019 (Operating)	Due date compliance with the dates for the completion of the roof repairs at St Croix street workshop/store	Operational	Tender/Quotation for replacement roof sheets and materials advertised	Tender/Quotation for replacement roof sheets awarded	Roof replacement of St Croix street workshop/ store 50% complete	Roof of St Croix Workshop/store replaced by 30 June 2019	Before and after photos	Dir. I&E	New
ACHIEVEMENT		The roof sheeting had to be replaced on the store. Old roof sheeting was in bad condition. All the required materials to repair the roof were purchased by the fleet department. A contractor was appointed to remove the old sheeting and fit the new sheeting onto the rafters. The company who did the work was Siqonono. New roof sheeting - R29 660.70, Labour R 21 200. 00 = Total R 50 866.70							

IDP PRIORITY			IDP 20		Develop in-house lifesaving capacity				
OBJECTIVE			To ensure that lifesaving services be rendered to residents and visitors to the Kouga						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Appoint additional lifesavers	Number of life savers appointed	Salary budget	Advert for life savers published by 31 August 2018	30 Life savers appointed 1 November 2018	30 Life savers appointed 1 November 2018	30 Life savers appointed 1 November 2018	Records of appointment	Dir. Corp	New
ACHIEVEMENT		Lifesavers was appointed for the December 2018 holiday period							

Procure lifesaving equipment by 15 November 2018	Due date compliance with procuring lifesaving equipment	R250 000	Tender advertised; Tender awarded	Lifesaving equipment received by 15 November 2018	Lifesaving equipment received by 15 November 2018	Lifesaving equipment received by 15 November 2018	Proof of payment	Dir. Com	New
ACHIEVEMENT		Lifesaving equipment procured for the 2018 December holiday period, acquisition of vehicle for lifesaving in progress.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGET				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Initiate volunteer lifesaving association (Done by private sector in collaboration with Kouga)	Establishment of Volunteer Lifesaving Association	Operational Budget	Call Public and stakeholder Meetings	Volunteer Lifesaving Association established by 15 November 2018	Facilitate 1meeting of the volunteer lifesaving association	Facilitate 1/2 meetings of the volunteer lifesaving association	Minutes of meetings of volunteer lifesaving association	Dir. Com	New
ACHIEVEMENT		2 Meetings held: 07 July 2018 & 08 May 2019							

IDP PRIORITY			IDP 21		Eradicate livestock kraals and piggeries from residential areas				
OBJECTIVE			To ensure that no stray animals roam the streets of Kouga						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Ensure sufficient law enforcement is affected to combat stray animals and illegal kraals and piggeries	Number of reports submitted on the combatting of stray animals and illegal kraals and piggeries	R (No funding)	1/4 Reports submitted on the combatting of stray animals and illegal kraals and piggeries	1/4 Reports submitted on the combatting of stray animals and illegal kraals and piggeries	1/4 Reports submitted on the combatting of stray animals and illegal kraals and piggeries	1/4 Reports submitted on the combatting of stray animals and illegal kraals and piggeries	Minutes of meetings where reports was submitted	Dir. Com	New
ACHIEVEMENT		Progress reports submitted to Portfolio Committee. 203 Notices issued for combatting stray animals and illegal piggeries. 133 Stray animals impounded							
IDP PRIORITY			IDP 23		Contribution towards Animal Welfare Society in Kouga				
OBJECTIVE			To ensure that animal welfare associations render much need care to lost animals						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Conclude a service level agreement with animal welfare society by 15 November 2018	Due date compliance with the conclusion of a service level agreement with the animal welfare society	Operational R240 000	N/a	Conclude a service level agreement with animal welfare society by 15 November 2018	SLA concluded with animal welfare society by 15 November 2018	SLA concluded with animal welfare society by 15 November 2018	SLA	Dir Com	New
ACHIEVEMENT		Service Level Agreement was concluded with the Animal Welfare Society							

IDP PRIORITY			IDP 24		Rezoning of Erf 400 and 554 for sporting facilities				
OBJECTIVE			To ensure that much needed sporting facilities become available in St Francis Bay						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Investigate transfer of Erf 400 and 554 from the Department of Public Works to Kouga Municipality (Erf 554 Public Open Space)	Due date compliance with the submission of a report on the transfer of erven 400 and 554	R (Operational)	N/a	N/a	Report on investigations into the transfer of erven 400 and 554 St Francis Bay from the Department of Public Works to Kouga Municipality by 31 March 2019	Report submitted on 31 March 2019	Minutes of the meeting of Council where the transfer report was submitted.	Dir. PDT	New
ACHIEVEMENT		Erf 554 is a public open space and is owned by Kouga Municipality. The matter of the transfer of erf 400 was discussed at an IGR Forum and Kouga was advised that the erf must be procured from the Department.							

IDP PRIORITY			IDP 25		Investigate roll-out of broadband connectivity (Fibre optic) to the entire Kouga Municipal area				
OBJECTIVE			To improve communications in the Kouga area						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Investigate the roll-out of broadband connectivity to the entire Kouga area (Feasibility study investigation)	Number of reports on the feasibility of the roll out of broadband fibre connectivity to the entire Kouga Area	Operational	1/4 Reports on the feasibility of the roll out of broadband fibre connectivity to the entire Kouga Area	1/4 Reports on the feasibility of the roll out of broadband fibre connectivity to the entire Kouga Area	1/4 Reports on the feasibility of the roll out of broadband fibre connectivity to the entire Kouga Area	1/4 Reports on the feasibility of the roll out of broadband fibre connectivity to the entire Kouga Area	Minutes of meetings where reports was submitted	CFO	New
ACHIEVEMENT		Roll out of fibre connectivity is in the investigation process.							

IDP PRIORITY			IDP 28		Relocation of Humansdorp Museum to Kouga Cultural Centre				
OBJECTIVE			To provide a suitable venue for the Humansdorp Museum						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Relocate the Humansdorp Museum (Feasibility study)	Due date compliance with the feasibility study for the relocation of the Humansdorp Museum	Operational	N/a	N/a	Submit feasibility study results for consideration with budget submissions for possible relocation by 31 January 2019	Feasibility study submitted 31 January 2019	Minutes of the meeting where the report was submitted	Dir. PDT	New
ACHIEVEMENT		The item was tabled at Council for a feasibility of Tourism PPP option in August 2018							

			OPERATIONAL PRIORITIES						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% MIG Grant funding expenditure	% MIG Grant funding expenditure	R25 812 348	Tenders advertised	40% MIG expenditure	75% MIG expenditure	100% MIG expenditure	% expenditure of MIG grant funding for the year	Dir.I&E	101%
ACHIEVEMENT		Expenditure at 100% as at 30 June 2019.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
95% expenditure of the Capital Budget	% Capital budget expenditure	R67 744 823	N/a	Tenders advertised 30 November	50% capital budget expenditure	95% capital budget expenditure	Capital budget expenditure reports	All Directors	
ACHIEVEMENT		The actual spending as at 30 June 2019 amounted to 48.62% capital budget expenditure compared to the budgeted ratio of 95%. Monthly reports have been submitted by the CFO to the Portfolio Committee and Provincial Treasury on Capital Budget expenditure.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% of Building plans approved/ rejected with 30 days of the submission of a compliant building plan	% Building plans approve/ rejected within 30 days from submission of a compliant building plan	Operational	100% of Building plans approved/ rejected with 30 days of the submission of a building plan	100% of Building plans approved/ rejected with 30 days of the submission of a building plan	100% of Building plans approve/ rejected with 30 days of the submission of a building plan	100% of Building plans approved/ rejected with 30 days of the submission of a building plan	Building plan register	Dir PDT	100%
ACHIEVEMENT		All compliant building plans within 500m2 were approved within 30 days of submission. The plans greater than 500m2 were approved within 90 days as per legislation.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Complete informal housing audit by 31 December 2018	Due date compliance with completion of informal housing audit	Operational	N/a	Informal housing audit completed by 31 December 2018	Informal Housing Audit completed by 31 December 2018	Informal Housing Audit completed by 31 December 2018	Housing audit document	Dir. PDT	New
ACHIEVEMENT		The informal housing audit was completed and tabled to Council.							
Prepare and submit funding applications for the review of the waste management strategy for Kouga by 30 November 2018	Due date compliance with the submission of the funding application	Operational	N/a	Funding application for the review of the waste management strategy submitted by 30 November 2018	Funding application for the review of the waste management strategy submitted by 30 November 2018	Funding application for the review of the waste management strategy submitted by 30 November 2018	Proof of submission of funding application	Dir. Com	New
ACHIEVEMENT		Application for proposals for the future development of closed landfill sites still to be submitted. The Waste Management Strategy is to be reviewed within the 2019/20 financial year.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% of formal households provided with a weekly refuse removal service	% of formal households provided with a weekly refuse removal service	Operational	100% of formal households provided with a weekly refuse removal service	100% of formal households provided with a weekly refuse removal service	100% of formal households provided with a weekly refuse removal service	100% of formal households provided with a weekly refuse removal service	Collection reports	Dir. Com	100%
ACHIEVEMENT		100% of formal households provided with a weekly refuse removal service							
Increase coverage of recognized informal residential areas serviced with refuse removal services once per week by 5%	% increase in coverage of recognized informal residential areas serviced with refuse removal services once per week	Operational	Report on plans and progress with the increase in coverage of refuse removal services to recognized informal areas	Report on progress with the increase in coverage of refuse removal services to recognized informal areas	Report on progress with the increase in coverage of refuse removal services to recognized informal areas	Coverage of once a week refuse removal services in recognized informal areas increased by 5%	Collection reports	Dir. Com	New
ACHIEVEMENT		All informal residential areas within the urban edges are provided with weekly refuse removal services							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
420 Water samples submitted for bacteriological analysis and 140 water samples submitted for chemical analysis	Number of water samples submitted for analysis	Operational	105/420 waters samples Bacteriological analysis; 35/140 water samples chemical analysis	110/420 waters samples Bacteriological analysis; 70/140 water samples chemical analysis	215/420 waters samples Bacteriological analysis; 105/140 water samples chemical analysis	420/420 waters samples Bacteriological analysis; 140/140 water samples chemical analysis	Water sampling reports	Dir. Com	520
ACHIEVEMENT		467 Water samples submitted for bacteriological analysis and 140 for Chemical analysis							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Develop a Coastal Management Plan for Kouga (SBDM in process of developing a district Coastal Management Plan)	Number of reports submitted on the development of a Coastal Management Plan	No funding	Report 1/4 on progress with the development of a coastal management plan	Report 2/4 on progress with the development of a coastal management plan	Report 3/4 on progress with the development of a coastal management plan by	Report 4/4 on progress with the development of a coastal management plan	Reports submitted on progress with the development of a coastal management plan	Dir. Com	New
ACHIEVEMENT		The Coastal Management Plan for Kouga was developed by the Sarah Baartman District Municipality. The Coastal Management Plan shall be submitted to Council for approval.							
Conduct 2 environmental awareness campaigns	Number of environmental awareness campaigns conducted	Operational	N/a	Conduct 1/2 environmental awareness campaigns	N/a	Conduct 2/2 environmental awareness campaigns	Reports on environmental awareness campaigns conducted	Dir. Com	New
ACHIEVEMENT		Conducted the following Environmental Awareness Programs: NMMU EH Students tour, Food safety and Hygiene program for 113 food handlers, Dog dipping and deworming, Keep Kouga Clean Campaign							

KEY PERFORMANCE AREA			GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
IDP PRIORITY			IDP 19		Investigate the construction of a new municipal building				
OBJECTIVE			To provide suitable accommodation to staff of the municipality to facilitate improved service delivery						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Conclude investigations into the various options available for alternative office accommodation and report on the findings and recommendations by 31 January 2019	Due date compliance with reporting on alternative office accommodation	R (No funding for new building R 300 000 and R500 000 for upgrade of main building/ old library)	N/a	N/a	Report investigations into alternative office accommodation and recommendations by 31 January 2019	Report investigations into alternative office accommodation and recommendations by 31 January 2019	Report submitted to Top Management	Dir. Corp	New
ACHIEVEMENT		Assessment completed and architect appointed to attend to the design and layout of new offices							

IDP PRIORITY			IDP 25		Introduction of ERP solution and associated IT architecture				
OBJECTIVE			Ensure that IT Architecture supports the operations and objectives of Council						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Report on investigations into new ERP solution	Number of reports submitted on investigations of the introduction of ERP solutions and associated IT architecture	R (No funding)	1/4 Reports on investigations of the introduction of ERP solutions and associated IT architecture	1/4 Reports on investigations of the introduction of ERP solutions and associated IT architecture	1/4 Reports on investigations of the introduction of ERP solutions and associated IT architecture	1/4 Reports on investigations of the introduction of ERP solutions and associated IT architecture	Minutes of the meeting where IRP investigation reports was submitted	Dir. Fin	New
ACHIEVEMENT		ICT related matters are discussed at IT Steering Committee level. Investigations towards the possible acquisition of a SAPS system is in progress.							

			OPERATIONAL PRIORITIES						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Submit 4 Institutional Performance Reports to Council at 1 report per quarter	Number of institutional performance reports submitted to Council	Operational	1/4 Institutional Performance Report submitted to Council	2/4 Institutional Performance Report submitted to Council	3/4 Institutional Performance Report submitted to Council	4/4 Institutional Performance Report submitted to Council	Reports submitted to Council	Manager PMS	4
ACHIEVEMENT		4 Institutional Performance Reports submitted							

4 Risk Management Meetings per year with 1 Risk Management Meeting per quarter	Number of Risk Management Meetings held	Operational	1/4 Risk Management Meeting	2/4 Risk Management Meeting	3/4 Risk Management Meeting	4/4 Risk Management Meeting	Minutes of Risk Management Meetings	CFO	New
ACHIEVEMENT		Risk Management discussed monthly at the level of Top Management Meetings.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Develop 2019/20 IDP process plan by 31 August 2018	Due date compliance	Operational	Process Plan for the review of the 2019/20 IDP developed by 31 August 2018	IPD Process plan developed by 31 August 2018		IPD Process plan developed by 31 August 2018	Minutes of the meeting of Council where the IDP process plan was adopted	Manager IDP	1
ACHIEVEMENT		Process Plan adopted 30 August 2018							
Review and table a draft copy of the IDP to Council by 31 March 2019	Due date compliance	Operational	N/a	N/a	Draft copy of the IDP review submitted to Council by 31 March 2019	Draft IDP submitted to Council by 31 March 2019	Minutes of the meeting of Council where the draft IDP was considered	Manager IDP	1
ACHIEVEMENT		Draft IDP Submitted							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Submit the final review copy of the IDP to Council by 31 May 2019	Due date compliance with the submission of the IDP to Council	Operational	N/a	N/a	N/a	Final review of the IDP submitted to Council by 31 May 2019	Minutes of the meeting of Council where the IDP was considered	Manager IDP	1
ACHIEVEMENT		Final IDP submitted							
Arrange and facilitate 15 IDP public meetings to determine ward priorities	Number of IDP public meetings held	Operational	N/a	15 IDP public meetings held to determine ward priorities	15 IDP public meetings held to determine ward priorities	15 IDP public meetings held to determine ward priorities	Ward priority registers	Manager IDP	1
ACHIEVEMENT		IDP Public Participation meetings held in 15 wards							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Arrange and facilitate 1 ward based planning session with ward Committees	Number of ward based planning sessions held	Operational	N/a	1 ward based planning session with ward Committees	1 ward based planning session with ward Committees	1 ward based planning session with ward Committees	Attendance registers	Manager IDP	1
ACHIEVEMENT		Strategic Ward Based Planning Session held with all wards							
Arrange 1 Strategic Planning Session to review IDP objectives	Number of Strategic Planning Session to review IDP objectives	Operational	N/a	1 Strategic Planning Session to review IDP objectives by 30 November 2018	1 Strategic Planning Session to review IDP objectives by 30 November 2018	1 Strategic Planning Session to review IDP objectives by 30 November 2018	Minutes of strategic planning session	Manager IDP	1
ACHIEVEMENT		Strategic Planning Sessions held							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Upload approved IDP on the municipal web site by 15 June 2019	Due date compliance with the uploading of the approved IDP on the municipal web site	Operational	N/a	N/a	N/a	Approved IDP uploaded to municipal web site by 15 June 2019	Municipal Web Site	Manager IDP	1
ACHIEVEMENT		IDP uploaded to web site on 14 June 2019							
Submit draft SDBIP by 31 March 2019	Due date compliance with the submission of the draft SDBIP	Operational	N/a	N/a	Submit draft SDBIP to Council by 31 March 2019	Draft SDBIP submitted to Council by 31 March 2019	Minutes of Council Meeting where draft SDBIP was considered	Manager PMS	1
ACHIEVEMENT		Draft SDBIP submitted							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Submit the SDBIP to the Executive Mayor for approval within 14 days of the adoption of the budget	Due date compliance with the submission of the SDBIP to the Executive Mayor	Operational	N/a	N/a	N/a	SDBIP submitted to the executive Mayor within 14 days of the approval of the budget	Date of approval by the Executive Mayor	Manager PMS	1
ACHIEVEMENT		2018/19 SBIP approved by the Executive Mayor on 12 June 2018; 2019/20 SDBIP approved by the Executive Mayor on 26 June 2019							
Table the approved to Council by 31 July 2018	Due date compliance with the submission of the SDBIP to Council	Operational	Table approved SDBIP to Council by 31 July 2018	SDBIP Submitted to Council by 31 July 2018	SDBIP Submitted to Council by 31 July 2018	SDBIP Submitted to Council by 31 July 2018	Minutes of the meeting of Council where the SDBIP was considered	Manager PMS	1
ACHIEVEMENT		SDBIP submitted to Council on 30 August 2018							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Upload the approved SDBIP on the municipal web site by 5 August 2018	Due date compliance with the uploading of the SDBIP on the municipal web site	Operational	SDBIP uploaded on municipal web site by 5 August 2018	SDBIP uploaded on web site by 5 August 2018	SDBIP uploaded on web site by 5 August 2018	SDBIP uploaded on web site by 5 August 2018	Municipal Web Site	Manager PMS	1
ACHIEVEMENT		SDBIP uploaded to web site on 20 August 2018							
Ensure that all Section 56 and 57 performance contracts are signed by 31 July 2018	Due date compliance with the conclusion of performance agreements in respect of Section 56/57 employees	Operational	All Section 56 and 57 Performance Agreements are signed by 31 July 2018	Section 56/57 employees concluded performance agreements by 31 July 2018	Section 56/57 employees concluded performance agreements by 31 July 2018	Section 56/57 employees concluded performance agreements by 31 July 2018	Signed performance agreements	Manager PMS	1
ACHIEVEMENT		All performance agreements signed by 31 July 2018							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Submit signed performance agreements to Council by 31 August 2018	Due date compliance with the submission of performance agreements by Council	Operational	Signed Section 56 and 57 Performance Agreements submitted to Council by 31 August 2018	Performance Agreements submitted to Council by 31 August 2018	Performance Agreements submitted to Council by 31 August 2018	Performance Agreements submitted to Council by 31 August 2018	Minutes of the meeting of Council where the performance agreements was submitted	Manager PMS	1
ACHIEVEMENT		Performance Agreements submitted to Council on 30 August 2018							
Upload performance agreements on municipal web site within 5 days of approval by Council	Due date compliance with uploading of performance agreements on municipal web site	Operational	Performance agreements uploaded on municipal web site within 5 days of approval by Council	Performance agreements uploaded to municipal web site by 5 September 2018	Performance agreements uploaded to municipal web site by 5 September 2018	Performance agreements uploaded to municipal web site by 5 September 2018	Municipal Web Site	Manager PMS	1
ACHIEVEMENT		Performance Agreements uploaded to web site on 22 August 2018							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Publish 1 Kouga News by 30 November 2018	Due date compliance with the publication and distribution of Kouga News	Operational	N/a	1Kouga News Publication published and distributed by 30 November 2018	Kouga News published by 30 November 2018	Kouga News published by 30 November 2018	Kouga News publication	Municipal Manager	1
ACHIEVEMENT		Kouga News published and distributed.							
4 Reports submitted to Council on legal risks	Number of reports submitted to Council on legal risks	Operational	Identify legal risks and submit report 1/4 on legal risks to Council	Submit report 2/4 on legal risks to Council	Submit report 3/4 on legal risks to Council	Submit report 4/4 on legal risks to Council	Minutes of meetings of Council where legal risk reports was considered	Dir. Corp	New
ACHIEVEMENT		Legal Risks reported to Council							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
4 Meetings of the Occupational Health and Safety Forum	Number of meetings of the Occupational Health and Safety Forum	Operational	1/4 Meetings of the Occupational Health and Safety Forum	2/4 Meetings of the Occupational Health and Safety Forum	3/4 Meetings of the Occupational Health and Safety Forum	4/4 Meetings of the Occupational Health and Safety Forum	Minutes of meetings of the Occupational Health and Safety Forum	Dir. Corp	New
ACHIEVEMENT		4 Meetings Held							

Compile a Municipal Code by 30 June 2019	Due date compliance with the compilation of a Municipal Code	Operational	N/a	N/a	N/a	Compile a Municipal Code by 30 June 2019	Sign off on Municipal code	Dir. Corp	New
ACHIEVEMENT		Municipal Code Complied							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Audit and review Municipal Policies and by-Laws by 30 June 2019	Due date compliance with review of Municipal policies and By-Laws	Operational	N/a	N/a	N/a	Audit and review Municipal Policies and by-Laws by 30 June 2019	Council resolution for the adoption of Policy and By-Law reviews	Dir. Corp	New
ACHIEVEMENT		23 Policies reviewed and adopted by Council							
Reduce printing costs by 40%	% reduction in printing costs	Operational	Printing costs reduced by 5%	Printing costs reduced by 10%	Printing costs reduced by 25%	Printing costs reduced by 40%	Budget expenditure on printing costs against budget provisions	Dir. Corp	New
ACHIEVEMENT		Printing costs reduced by 63% for Council Agendas							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Electronically sort, image and store 1 million documents in an off-site warehouse	Number of images sorted, imaged and stored in an office site warehouse	R 2 000 000 operational	Tender advertised	Service provider appointed; Service provider commenced with electronic sorting and imaging	250 000/1 000 000 documents, sorted, imaged and off-site warehouse	1 000 000/1 000 000 documents, sorted, imaged and off-site warehouse	Records of off-site warehouse storage	Dir. Corp	New
ACHIEVEMENT		Initial tender cancelled. New tender process commenced and was finalized up to the level of the Bid Evaluation Committee by 30 June 2019							
Review the layout and functionality of the Kouga Municipal Web Site by 30 June 2019	Due date compliance with the review of the layout and functionality of the Kouga Municipal Web Site	Operational	N/a	N/a	N/a	The layout and functionality of the Kouga Municipal Web Site reviewed by 30 June 2019	New Web Site layout	Media Liaison Officer	New
ACHIEVEMENT		Web-Site functionality and layout continuously worked on to make it more user friendly.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
50% Completion of the conversion of the Old Library into Office space by 30 June 2019	Percentage completion of conversion of old Library into Office Space by 30 June 2019	R500 000 (Phase 2)	N/a	Tender advertised	Tender awarded; Contractor on site	50% Completion of the conversion of the Old Library into Office space by 30 June 2019	Technical Completion report	Dir. Corp	New
ACHIEVEMENT		Conversion completed May 2019 and offices was formally occupied as from 10 May 2019.							
Reduce the Telkom account by R40 000	Rand's reduction in the average Telkom account for the year	Operational	N/a	Telkom account reduced by R5 000 for the year to date	Telkom account reduced by R10 000 for the year to date	Telkom telephone account reduced by R40 000 for the year	Telkom account payment schedules	Dir. Corp	New
ACHIEVEMENT		Average normal Telkom Account was approximately R250 000 pm which has been reduced to R22 200 for April 2019, R3 648 for May 2019 and R24 724 for June 2019. Savings target exceeded.							

KEY PERFORMANCE AREA			ORGANIZATIONAL TRANSFORMATION AND DEVELOPMENT						
OPERATIONAL PRIORITIES									
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Review the Organogram by 30 June 2019	Due date compliance with the review of the Organogram	Operational	N/a	N/a	Conduct consultative meetings with role players	Organogram reviewed by 30 June 2019	Resolution adopting the review of the Organogram	Dir. Corp	New
ACHIEVEMENT		Organogram review adopted by Council on 30 August 2018							
Employee 3 African Females and 2 African Males in the 3 highest levels of employment as per the Employment Equity Plan	Number of people from disadvantaged groups employed in the 3 highest levels of employment as per Employment Equity Plan targets	Operational subject to salary budget	N/a	Report on progress by 31 December 2019	Report on progress by 31 March 2019	2 African Females and 2 African Males employed in the 3 highest levels of employment as per Employment Equity Plan targets	Records of employment of employees in the 3 highest categories of employment	Dir. Corp	2 AF
ACHIEVEMENT		2 African Females and 3 African Males appointed in top 3 management levels • N. Mate- Manager: Expenditure- T 14- African Female • L. Ramakuwela- Town Planner- T14- African Male • A. Neku- Area Engineer- T 14- African Male • N. Siwela- Environmental Specialist- T13- African Female • M. Penxa- Manager: Human Settlement- T16- African Male							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Submit the Employment Equity Plan to the Department of Labour by 15 January 2019	Due date compliance with the submission deadline for the Employment Equity Plan	Operational	N/a	Report on consultative processes in the review of the Employment Equity Plan	Employment Equity Plan submitted to the Department of Labour by 15 January 2019	Employment Equity Plan submitted to the Department of Labour by 15 January 2019	Acknowledgment of receipt from the Department of Labour	Dir. Corp	New
ACHIEVEMENT		Employment Equity Plan submitted 14 January 2019							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% of training budget spent on skills development	% of training budget spent on skills development	R1 376 322	10% of training budget spent on skills development	50% of training budget spent on skills development	75% of training budget spent on skills development	100% of training budget spent on skills development	Training reports	Dir. Corp	100%
ACHIEVEMENT		For the 2018/19 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record of R 1 207 500.95 spent on capacitating employees. R167 625.72 was spent on associated training cost giving us a total expenditure of R1 373 126.67 on training, therefore 99.8% expenditure was achieved on training. Initial Skills Development Service Provider tender appointment cancelled. Senior Skills Development Facilitator was dismissed. A new tender process was started which delayed implementation of training programs which resulted therein that the full Skills Development Budget could not be spent.							

Submit Work Place Skills Plan to LGSETA by 30 April 2019	Due date compliance with the submission of the Work Place Skills Plan to LGSETA	Operational	N/a	N/a	Report on progress with the development of and consultations of the Work Place Skills Plan	Work Place Skills Plan submitted to LGSETA by 30 April 2019	Acknowledgement of receipt of Work Place Skills Plan by LGSETA	Dir. Corp	New
ACHIEVEMENT		Work Place Skills Plan submitted on 30 April 2019							

TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Review Delegation Framework by 30 June 2019	Due date compliance with the review of the Delegation Framework	Operational	N/a	N/a	N/a	Review Delegation Framework by 30 June 2019	Minutes of the meeting of Council where the Delegation Framework review was considered	Dir. Corp	New
ACHIEVEMENT		Delegation Framework adopted by Council on 30 August 2018							

KEY PERFORMANXCE AREA			LOCAL ECONOMIC DEVELOPMENT						
IDP PRIORITY			IDP 17		Develop a LED Strategy for the Kouga				
OBJECTIVE			To ensure that the economic development of the Kouga area is achieved in a structured and planned manner						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Review LED Strategy by 30 June 2019 – Target reset by Council to 31 March 2020	Due date compliance with the review of the LED Strategy	R 300 593	N/a	N/a	N/a	LED Strategy reviewed by 30 June 2019	Minutes of the meeting of Council where the LED Strategy review was submitted	Dir. PDT	New
ACHIEVEMENT		The Service Provider was appointed in January 2019 for the LED Strategy. The project was temporarily in suspense due to stakeholder buy in not achieved. A report was tabled at Council to report on the status quo and request for the extension of timeframes to be granted. Council approved extension of timeframes for this project to March 2020.							

OPERATIONAL PRIORITIES									
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
4 Meetings of the LED Forum with 1 meeting per quarter	Number of meetings of the LED Forum	Operational	1/4 meetings of the LED Forum	1/4 meetings of the LED Forum	1/4 meetings of the LED Forum	1/4 meetings of the LED Forum	Minutes of LED Forum Meetings	Dir. PDT	New
ACHIEVEMENT		The LED Forum convened quarterly in 2018/19. In total 4 meetings were held in the year of reporting.							

100% expenditure of LED project and program budget on LED programs and projects	% expenditure of LED project and program budge	R450 000	5% expenditure of LED project and program budget on LED programs and projects	30% expenditure of LED project and program budget on LED programs and projects	75% expenditure of LED project and program budget on LED programs and projects	100% expenditure of LED project and program budget on LED programs and projects	Expenditure reports	Dir. PDT	New
ACHIEVEMENT		The amount was fully spent and benefitted 3 SMME's from Kouga.							

TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Number of jobs created through LED initiatives and capital projects	Operational	25/500 jobs created through LED initiatives and capital projects	100/500 jobs created through LED initiatives and capital projects	250/500 jobs created through LED initiatives and capital projects	500/500 jobs created through LED initiatives and capital projects	Reports on jobs created			No
ACHIEVEMENT		The target was met with job opportunities created through Winterfest, Calamari Fest and EPWP.							
4 Training opportunities provided to entrepreneurs and SMME's	Number of Training opportunities provided to entrepreneurs and SMME's	R300 000	N/a	1/4 Training opportunities provided to entrepreneurs and SMME's	3/4 Training opportunities provided to entrepreneurs and SMME's	4/4 Training opportunities provided to entrepreneurs and SMME's	Attendance Registers	Dir. PDT	New
ACHIEVEMENT		The following training opportunities were created during the year under reporting:							

	• Business Development; BIGM (LED Workshop); SMME Training in Thornhill

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
90% expenditure of Kouga Cultural Centre refurbishment budget (Target reset by Council funds re-directed toward land acquisition for housing in Kwanomzamo and Thornhill)	% expenditure of Kouga Cultural Centre refurbishment budget	R1 000 000	Tender advertised	Tender awarded; Contractor on site	50% expenditure	90% expenditure	Budget expenditure reports	Dir. PDT	New
ACHIEVEMENT		The tender closed with zero expression expressed by bidders. Council subsequently resolved to redirect the funds towards acquisition/ purchase of land for low income housing / human settlements in Kwa-Nomzamo and Thornhill.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
1 Report on the usage options for the Kouga Cultural Centre	Number of reports on the usage proposals for the Kouga Cultural Centre	Operational	N/a	N/a	N/a	1 Report on the usage proposal for the Kouga Cultural Centre	Minutes of the meeting where the usage report was submitted to Top Management	Dir PDT	New
ACHIEVEMENT		The item was tabled at Council for a feasibility of Tourism PPP option in August 2018							
1 Report on optimal functionality of the proposed Tourism Agency for Kouga	Number of reports submitted on the optimal functionality of the proposed Tourism Agency	Operational	N/a	N/a	N/a	1 Report on the optimal functionality of the proposed Tourism Agency for Kouga	Minutes of the meeting where the report was submitted	Dir. PDT	New
ACHIEVEMENT		The item for PPP for Tourism was tabled at Council. The process for feasibility study for Tourism PPP (agency) is currently underway.							

KEY PERFORMANCE AREA			FINANCIOAL VIABILITY AND MANAGEMENT						
IDP PRIORITY			IDP 22		Improve revenue generation and collection to facilitate increased funding for service delivery				
OBJECTIVE			To ensure optimal levels of revenue collection						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
Revenue collection rate of 93% between revenue raised and revenue collected	% revenue collected between revenue raised and revenue collected	Operational	93% revenue collected against revenue raised	93% revenue collected against revenue raised	93% revenue collected against revenue raised	93% revenue collected against revenue raised	Revenue collected expressed as a percentage of revenue raised	CFO	90%
ACHIEVEMENT		The average collection rate as at 30 June 2019 was 97.62% compared to the budgeted collection rate of 93%							

			OPERATIONAL INDICATORS						
TARGET FOR THE YEAR	**PERFORMANCE INDICATOR**	**COUNCIL APPROVED BUDGET**	**TARGETS**				**MEANS OF VERIFICATION**	**RESPONSIBLE AGENT**	**30 June 2018 Base Line**
			30 September 2018	**31 December 2018**	**31 March 2019**	**30 June 2019**			
100% Compliance with the reporting requirements as per National Treasury reporting calendar	% Compliance with the reporting requirements as per National Treasury reporting calendar	Operational	100% Compliance with the reporting requirements as per National Treasury reporting calendar	100% Compliance with the reporting requirements as per National Treasury reporting calendar	100% Compliance with the reporting requirements as per National Treasury reporting calendar	100% Compliance with the reporting requirements as per National Treasury reporting calendar	Reports submitted against National Treasury reporting calendar	CFO	New

ACHIEVEMENT	National Treasury reporting requirements complied with in full. 100% achievement.

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% of creditors paid within 30 days of receipt of invoice certified for payment	% of creditors paid within 30 days of receipt of an invoice certified for payment	Operational	100% of creditors paid within 30 days of receipt of invoice certified for payment	100% of creditors paid within 30 days of receipt of invoice certified for payment	100% of creditors paid within 30 days of receipt of invoice certified for payment	100% of creditors paid within 30 days of receipt of invoice certified for payment	Records of reports submitted as required in terms of the National Treasury reporting calendar	CFO	67%
ACHIEVEMENT		The Municipality received a R46 million bulk water account in May 2016. According to the Nelson Mandela Bay Municipality, the Kouga Municipality was incorrectly billed from December 2012 to April 2016. This has a direct influence on the calculation of this ratio. If the bulk water account of R46 million is excluded, the ratio would have been 78 days creditors payment period. The CFO was appointed on 1 December 2015 and had no control over this new bulk water account of R46 million.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
100% of indigent residents registered on the Indigent Register have access to free basic services	% of indigent residents registered on the Indigent Register have access to free basic services	Operational	100% of indigent residents registered on the Indigent Register have access to free basic services	100% of indigent residents registered on the Indigent Register have access to free basic services	100% of indigent residents registered on the Indigent Register have access to free basic services	100% of indigent residents registered on the Indigent Register have access to free basic services	Indigent register and records of free basic services provided	CFO	100%
ACHIEVEMENT		100%of Residents registered on the Indigent Register have access to free basic services.							
100% up-time of the ICT System	% up time of the ICT system	Operational	100% up-time of the ICT System	100% up-time of the ICT System	100% up-time of the ICT System	100% up-time of the ICT System	Records of down time of the ICT system	CFO	New
ACHIEVEMENT		ICT System achieved 95% up-time.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
Develop/ review ICT policies by 30 November 2018	Due date compliance with the development/ review of ICT policies	Operational	N/a	Develop/ review ICT Policies by 30 November 2018	Develop/ review ICT Policies by 30 November 2018	Develop/ review ICT Policies by 30 November 2018	Record of resolution adopting reviewed/ developed ICT policies	CFO	New
ACHIEVEMENT		ICT Policies reviewed.							
90% compliance with the Procurement Plan	% Compliance with the Procurement Plan	Operational	Monthly report to Top Management on implementation of Procurement Plan	Monthly report to Top Management on implementation of Procurement Plan	Monthly report to Top Management on implementation of Procurement Plan	90% compliance with the Procurement Plan	Reports on implementation of Procurement Plan	All Directors	New
ACHIEVEMENT		Monthly reports was submitted to Top Management on the implementation of the Procurement Plan.							

TARGET FOR THE YEAR	PERFORMANCE INDICATOR	COUNCIL APPROVED BUDGET	TARGETS				MEANS OF VERIFICATION	RESPONSIBLE AGENT	30 June 2018 Base Line
			30 September 2018	31 December 2018	31 March 2019	30 June 2019			
95% Capital Budget expenditure	% Capital Budget expenditure	R67 744 823	Tenders advertised	Tenderer appointed;50% Capital Budget expenditure	85% Capital Budget expenditure	95% Capital Budget expenditure	Capital Budget expenditure reports	All Directors	
ACHIEVEMENT		The actual spending as at 30 June 2019 amounted to 48.62% capital budget expenditure compared to the budgeted ratio of 95%. Monthly reports have been submitted by the CFO to the Portfolio Committee and Provincial Treasury on Capital Budget expenditure.							

Conduct a land audit by 31 December 2018	Due date compliance with conducting a land audit	Operational	N/a	Land Audit conducted by 31 December 2018	Land Audit conducted by 31 December 2018	Land Audit conducted by 31 December 2018	Date of submission of land audit to Council	CFO	New
ACHIEVEMENT		Land Audit conducted as part of the Audit process.							

COMPONENT B: COGTA MUNICIPAL PERFORMANCE INDICATORS FOR THE EVALUATION OF MUNICIPAL PERFORMANCE

KPA 1: ORGANIZATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

	Indicator Name	Total Number of people (Planned for during the year under review)	Achievement level during the year under review	Prior year Achievement	Achievement for year under review	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts	24	24	2.7%	2.1%	Funded posts are filled as they become vacant and the average vacancy rate is 2.7% against total staff compliment.
2.	Percentage of appointment in strategic positions (Municipal manager and Section 57 Managers)	0	0	100%	100%	All strategic manager positions filled
3.	Percentage of Section 57 Managers including the Municipal Manager who attended at least 1 skills development training course within the financial year	2	2	100% (2 employees)		
4.	Percentage of Managers in Technical Services with a professional qualification	6	4	67%	67%	
5.	Level Performance Management effectiveness	Performance Management is focused on Senior Managers (Municipal Manager and Directors) and while it has been rolled out to the level of line managers is participation by line managers is limited. The PMS system provides useful performance information and allows for timeous intervention where required.				

6.	Percentage of staff that have undergone a skills audit (Including competency profiles) within the current 5-year term	269	269	100% (269 employees)		100% of staff required to complete skills audit forms only 269 responded
7.	Percentage Councilors who attended a skills development training intervention within the current 5-year term	29	29	100%	100% for the term	All Councilors attended training
8.	Percentage of staff compliment with a disability	11	11	1.3%		1.3% of total staff compliment
9.	Percentage of female employees	273	273	31.2%		31.2% of staff compliment is female
10.	Percentage of employees that are 35 years of age or younger	255	255	29.2%		29.2% of staff compliment is 35 years or younger
11.	Adoption of HRD Plan inclusive of WSP	0	0	100%	100%	HRD Plan and WSP adopted in 2017/18 year

KPA 2: INFRASTRUCTURE AND BASIC SERVICE DELIVERY

A: WATER

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2017/18	Target set for the year under review	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to potable water	29 230	366	212	366	29 230	100% (Formal residential areas)
2.	% Indigent households with access to free basic potable water	4 092	0	4 092		4 092	100% (As per Indigent Register)

3.	% of Clinics with access to potable water	No additional Clinics planned	0	100%	100%	100% of clinics	100% (Clinics within urban edge)
4.	% of schools with access to potable water	No additional Schools planned	100%	100%	100%	100% of schools	100% (Schools within urban edge)
5.	% of households in formal settlements using bucket sanitation	0	0 backlogs in formal residential areas	0	0	0	100% (Buckets only used in some informal areas)

B: ELECTRICITY

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Prior year achievement 2017/18	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households with access to electricity services (Serviced by Kouga)	29 230	212		28 864	29 230	100% (Note some areas serviced by the Metro and Eskom but included in calculations)
2.	% Indigent households with access to basic electricity services (Serviced by Kouga)	2 864	0		2 864	2 864	100% as per indigent register
3.	% Indigent households with access to free alternative energy sources	None	None	N/a	None	None	Not measured, no free alternative energy is available

C: SANITATION SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to sanitation services	28 864	0	0	28 864	100% (Formal residential areas)
2.	% of indigent households with access to free basic sanitation services	4 092	0	4 092	4 092	100% (As per Indigent Register)

3.	% of schools with access to sanitation services	No schools planned for year	0	0	100% of schools	100% (Schools within urban edge)
4.	% of Clinics with access to sanitation services	No clinics planned for year	0	0	100% of clinics	100% (Clinics within urban edge)

D: ROAD MAINTENANCE SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% Households without access to gravel or graded roads	0	87.5km	0	0	No target set
2.	% of road infrastructure requiring upgrade	0	87.5km	0	0	No target set
3.	% of planned new road infrastructure actually constructed	0	87.5km	0	0	No target set
4.	% of capital budget reserved for road upgrading and maintenance effectively used	0	R380 000 000	0	0	No target set

E: WASTE MANAGEMENT SERVICES

	Indicator Name	Total Number of household/ customer expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households with access to refuse removal services	28 652	0	212	28 864	100%
2.	Existence of a Waste Management Plan	Integrated Waste Management Plan adopted 2016				

D: HOUSING AND TOWN PLANNING

	Indicator Name	Total Number of household/ customers expected to benefit	Estimated backlogs (actual Numbers)	Target set for the year under review (Actual numbers)	Number of households reached during the financial year	Achievement percentage during the year
1.	% of households living in informal settlements	100%	13 000	363	363	100%
2.	% of informal settlements that have been provide with basic services	100%	9 779	550	550	100%
3.	% of households in formal housing that conforms to the minimum building standards for residential houses	100%	9 779	2 111	0	0%
4.	Existence of an effective Indigent Policy.	Indigent Policy reviewed annually as part of the budget adoption processes.				
5.	Existence of an approved Spatial Development Framework	The Spatial Development Framework was aproved by Council on 29 May 2015 Council resolution 15/5/IPD1.				
6.	Existence of a Land Use Management System	Land Use Management System in Place namely: • Municipal Planning Tribunal Established as per SPLUMA requirements; • Municipal Planning By-Laws in place; • Appeal Authority as required by SPLUMA; • GIS functional and kept up-to-date The Integrated Land Use Scheme is in drafting stages with adoption planned for 2019/20				

KPA 3: LOCAL ECONOMIC DEVELOPMENT

	Indicator Name	Target set for the year	Achievement level for the year (absolute figure)	Achievement percentage during the year
1.	Existence of LED Unit	1 LED Unit	1 LED Unit	100%
2.	% LED budget spent on LED related activities	90% expenditure	78%	Low level expenditure largely due to the restructuring of the LED Directorate.
3.	Existence of LED Strategy	A Service provider has been appointed for the review of the LED Strategy		

4.	Number of LED Stakeholder Forum meetings held	4	4	100%
5.	Plans to stimulate second economy	Stimulation of the second economy is included in the LED Strategy		
6.	% SMME's that benefitted from SMME support programs	550	736	134%
7.	Number of Job Opportunities created through EPWP	33	33	100%. (An additional 131 EPWP Workers were employed through the Coast Care Program within the Municipal coastal areas.)
8.	Number of job opportunities created through PPP	600	46	7.6% Only jobs created through capital projects has been reported. Due to restructuring of LED Directorate now reporting on job creation was done.

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

	Indicator Name	Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
1.	% Expenditure of capital budget	90%	R47 819 219/R65 523 720	72.98%
2.	Salary budget as a % of the total operational budget	Target set for the year (35%) R(000)	Achievement level for the year R(000)	Achievement % during the year vs operational budget
		35%	R245 776 666.00 *(Operating budget R745 019 039)*	32.99%
3.	Trade creditors as a % of total actual revenue	Target set for the year (20% or less) R(000)	Achievement level for the year R(000)	Achievement percentage during the year vs actual revenue
		22%	R126 624 642/R598 603 128	21.15%
4.	Total own municipal revenue as a % of total actual budget	Target set for the year (80% and more) R (000)	Achievement level for the year R(000)	Achievement percentage during the year
		80%	R598 650 648/R743 040 736	80.57%
		Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
5.	Rate of municipal consumer debt reduction	No target set	Not measured	Not measured
6.	% of MIG Budget appropriately spent	100%	R27 584 121.85	101.14% *(Expenditure over 100% as a result of the increase in VAT rate)*
7.	% of MSIG budget appropriately spent	N/a	N/a	No MSIG received by Kouga Municipality

8.	AG Opinion	Unqualified Audit Opinion
9.	Functionality of the Audit Committee	4 Meetings of the Audit Committee was held for the 2018/19 year.
10.	Submission of AFS after the end of the financial year	AFS submitted 30 August 2019

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

	Indicator Name	Target set for the year	Achievement level for the year (Absolute figure)	Achievement percentage during the year
1.	% of Ward Committees established	100%	100% (15 ward committees)	100%
2.	% of Ward Committees that are functional	100%	100% (15 ward committees)	100%
3.	Existence of an effective system to monitor CDW's	The CDW's are administered through the Office of the Speaker and the Public Participation Officer meet monthly with CDW's to track progress and receive submissions by CDW's.		
4.	Existence of an effective IGR Strategy	No adopted IGR Strategy		
5.	Effective IGR structural meetings	All Muni-Mec meetings are attended, all District IGR Meetings are attended, Quarterly local IGR Meetings with stakeholders.		
6.	Existence of an effective communication strategy	Communication Strategy in place and communication is effective.		
7.	Number of Mayoral Imbizo's conducted	1 Mayoral Imbizo conducted		
8.	Existence of a fraud prevention mechanism	Anti-*Corruption* and Fraud Prevention Policy approved by Council 1 August 2017		

COMPONENT B: INDIVIDUAL PERFORMANCE MANAGEMENT

The Performance Management Section currently administers Institutional Performance and Individual Performance to the level of the Municipal Manager and Directors reporting directly to the Municipal Manager.

The purpose of the performance management section is to allow Councilors and Top Management the opportunity of oversight and timeous corrective action where it is evident that set institutional targets may not be achieved.

In compliance with the legislative provisions does the Integrated Development Plan for the year under review form the basis of the Institutional Service Delivery and Budget Implementation Plan.

The Institutional Service Delivery and Budget Implementation plan forms the basis for the individual performance agreements of the Municipal Manager and Directors.

Performance agreements are concluded annually before 31 July with the Municipal Manager and Directors and 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.

Performance reporting for the 2018/19 year improved substantially from the previous year where performance reporting and performance reviews were conducted out of time.

Performance bonusses are only paid after evaluation and only on approval of the evaluation results by Council and the adoption of the annual report for the period under review.

The roll out of performance plans to employees below the level of Top Management remains slow and is dependent on the development of Departmental Service Delivery and Budget Implementation Plans which was not attended to in time to ensure the effective roll out of the performance management system to lower level employees.

PERFORMANCE REWARDS

No performance rewards were considered for non-section 56/57 employees.

COMMENT ON PERFORMANCE REWARDS:

Despite the adoption of Policy on the participation of non-section 56/57 employees in the performance management system and the provision for performance rewards for such employees, no performance rewards were considered for such employees for reason that participation in the performance management system were not cascaded down to lower level employees.

The cascading of the performance management system is dependent on the development of Departmental Service Delivery and Budget Implementation Plans which should ensure that the performance of lower levels contributes towards the achievement of institutional objectives and further limits the "silo" effect by aligning departmental activities towards a common goal.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.
The Kouga Municipality's financial statements were audited by the AG and was declared a fair representation of the financial position of the municipality.

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORT

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Kouga Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Kouga Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kouga Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no.1 of 2018) (Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular expenditure

7. As disclosed in note 44.3 to the financial statements, irregular expenditure of R89,9 million (2017-18: R98,7 million), accumulated over a number of years, has not been recovered, written off or condoned. Irregular expenditure of R7,7 million (2017-18: R2,4 million) incurred during the current year is included in the amount disclosed.

Fruitless and wasteful expenditure

8. As disclosed in note 44.2 to the financial statements, fruitless and wasteful expenditure of R34,9 million (2017-18: R35,8 million), accumulated over a number of years, has not been recovered, written off or condoned.

Material losses

9. As disclosed in note 45.1.9 to the financial statements, the municipality incurred material losses relating to water and electricity of R16,3 million (2017-18: R18,3 million) and R31,8 million (2017-18: R21,7 million), respectively.

Material impairments

10. As disclosed in note 3 and 4 to the financial statements, receivables from exchange transactions of R111,5 million (2017-18: R92,9 million) and receivables from non-exchange transactions of R57,7 million (2017-18: R45 million) were impaired, respectively.

Restatement of corresponding figures

11. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors and reclassification of accounts in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Other matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

13. 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, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June2019:

Development priority	Pages in the annual performance report
KPA 1 – infrastructure and basic service delivery	x – x

21. I performed procedures to determine whether the reported perfomance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings in respect of the reliability of the selected development priority are as follows:

KPA 1 – infrastructure and basic service delivery

Various indicators

23. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement reported in the annual performance report for the indicators listed below:

Indicator description	Reported achievement
% formal households (exclusive of vacant sites) have access to sanitation services	100%
% of resident in formal residential areas have access to water	100%

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 24 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

28. The material findings on compliance with specific matters in key legislation are as follows:

Strategic planning and performance management

29. The performance management system and related controls were inadequate, as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Consequence management

30. Some of the irregular as well as fruitless and wasteful expenditure incurred by the municipality in previous 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

Expenditure management

31. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the

contravention of the Construction Industry Development Board Act of South Africa, 2000 (Act No. 38 of 2000) (CIDB Act). Irregular expenditure amounting to R5.5 million was incurred on resealing of the roads.

Procurement and contract management

32. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a).

33. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).

34. One construction contract was awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act.

Other information

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual 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 this auditor's report.

36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

37. In connection with my audit, my 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 my knowledge obtained in the audit, or otherwise appears to be materially misstated.

38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on the compliance with legislation included in this report.

40. Leadership was slow in responding to previous audit recommendations and had not put adequate processes in place to review performance and compliance reporting. Material misstatements identified in the annual performance report and compliance with relevant laws and regulations could have been avoided if review processes had been functioning effectively.

41. The municipality did not have adequate systems to enable the collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives.

42. The internal audit unit was not in existence for the first nine months of the year, which resulted in a lack of independent in-year reviews of quarterly performance reports and compliance with legislation. The lack of internal audit also hampered the effectiveness of the audit committee.

Auditor-General

East London

30 November 2019

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

5.2 AUDIT ACTION PLAN ON FINDINGS OF THE AUDITOR-GENERAL

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
		EMPHASIS OF MATTERS				
7	**Irregular expenditure**	As disclosed in note 44.3 to the financial statements, irregular expenditure of R69,9 million (2018: R98,7 million) ,accumulated over a number of years, has not been recovered, written off or condoned. Irregular expenditure of R7,7 million (2018: R2,4 million) incurred during the current year is included in the amount disclosed.	The irregular expenditure incurred will be investigated and reported to MPAC for making recommendations to Council in this regard.	MM/MPAC	The irregular expenditure incurred will be reported to MPAC for further investigation and recommendations to Council in this regard.	30-Jun-20
8	**Fruitless and wasteful expenditure**	As disclosed in note 44.2 to the financial statements, fruitless and wasteful expenditure of R34,9 million (2018: R35,8 million), accumulated over a number of years and has not been recovered, written off or condoned.	The fruitless and wasteful expenditure incurred will be investigated and reported to MPAC for making recommendations to Council in this regard.	MM/MPAC	The fruitless and wasteful expenditure incurred will be reported to MPAC for further investigation and recommendations to Council in this regard.	30-Jun-20

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
9	**Material losses**	As disclosed in note 45.1.9 to the financial statements, the municipality incurred material losses of R16,3 million (2018: R18,3 million) and R31,8 million (2018: R21,7 million), respectively.	Water losses are not only as a result of faulty meters and illegal connections, but are also due to deteriorating infrastructure causing water pipe leakages and pipe bursts. The electricity losses are mainly due to illegal electricity connections.	Director: I&E	A quarterly progress report will be submitted to the I&E Portfolio Committee.	30 April 2020 and 31 July 2020
10	**Material impairments**	As disclosed in note 3 and 4 to the financial statements, receivables from exchange transactions of R111,5 million (2018:R92,9 million) and receivables from non-exchange transactions of R 57,7 million (2018: R45 million) were impaired, respectively.	This information has been provided for the end-users of the financial statements,	N/A	No further action required.	
11	**Restatement of corresponding figures**	As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors and reclassification of accounts in the financial statements of the municipality at, and for the year ended,30 June 2019.	This information has been provided for the end-users of the financial statements,		No further action required.	

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
23	**Infrastructure and basic service delivery - Various indicators**	I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement reported in the annual performance report for the in		MM	The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.	Quarterly

Indicator description	Reported achievement
% formal households (exclusive of vacant sites) have access to sanitation services	100%
% of resident in formal residential areas have access to water	100%

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
26	**Adjustment of material misstatements**	I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: infrastructure and basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.	Management agrees with the audit finding raised.	MM	The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.	Quarterly
29	**Strategic planning and performance management**	The performance management system and related controls were inadequate, as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).	Management agrees with the audit finding raised.	MM	The performance management system and related controls will be updated, in order to ensure compliance with the Municipal Planning and Performance Management Regulations.	30-Apr-20
30	**Consequence management**	Some of the irregular as well as fruitless and wasteful expenditure incurred by the municipality in previous 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.	Management agrees with the audit finding raised.	MM	The MM will ensure that the required investigations are undertaken, relating to irregular and the fruitless and wasteful expenditure incurred.	Ongoing

2018/19 AUDIT ACTION PLAN

Audit report paragraph reference	Issue	Audit Finding	Management Response	Responsible Person	Action	Monitoring and review
31	**Expenditure management**	Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the contravention of the Construction Industry Development Board Act of South Africa, 2000 (Act No. 38 of 2000) (CIDB Act). Irregular expenditure amounting to R5,5 million was incurred on resealing of the roads.	Management agrees with the audit finding raised.	MM	The irregular expenditure incurred will be reported to MPAC for further investigation and recommendations to Council in this regard.	30-Jun-20
32	**PROCUREMENT AND CONTRACT MANAGEMENT**	Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a).	Management agrees with the audit finding raised.	MM	Compliance with the required SCM processes, relating to the award of the Telkom contract, is being investigated by MPAC	30-Jun-20
33	**PROCUREMENT AND CONTRACT MANAGEMENT**	Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c).	Management agrees with the audit finding raised.	MM	Controls will be put in place to ensure compliance with the SCM regulations.	30-Jun-20
34	**PROCUREMENT AND CONTRACT MANAGEMENT**	One construction contract was awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act.	Management agrees with the audit finding raised.	MM	Controls will be put in place to ensure compliance with the SCM regulations.	30-Jun-20

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
40		Leadership was slow in responding to previous audit recommendations and had not put adequate processes in place to review performance and compliance reporting. Material misstatements identified in the annual performance report and compliance with relevant laws and regulations could have been avoided if review processes had been functioning effectively.	Management agrees with the audit finding raised.	MM	Internal Audit will undertake independent reviews of performance information reporting and compliance reporting.	Quarterly
41		The municipality did not adequate systems to enable the collection, collation, verification and capturing of performance information to ensure valid, accurate and complete reporting against planned objectives.	Management agrees with the audit finding raised.	MM	The reported performance will be verified independently by Internal Audit, to ensure accurate reported performance information.	Quarterly

2018/19 AUDIT ACTION PLAN						
Audit report paragraph reference	**Issue**	**Audit Finding**	**Management Response**	**Responsible Person**	**Action**	**Monitoring and review**
42		The internal audit unit was not in existence for the first nine months of the year, which resulted in a lack of independent in-year reviews of quarterly performance reports and compliance with legislation. The lack of internal audit also hampered the effectiveness of the audit committee.	Management agrees with the audit finding raised.	MM	Reviews of the quarterly performance reports and compliance with legislation will improve as internal audit will be in existence for the entire financial year. The effectiveness of the audit committee will also improve as internal audit will be in existence for the entire financial year.	Ongoing

APPENDICES

APPENDIX A: COUNCILORS, COMMITTEE ALLOCATION AND COUNCILOR ATTENDANCE

COUNCIL MEETING ATTENDANCE

NAME OF COUNCILLOR	COMMITTEE ALLOCATED	WARD	PARTY	PERCENTAGE.OF COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER
F Campher	I&E/FINANCE	Ward 4	DA	93	1
B F Rheeder	PDT/LED/I&E	Ward12	DA	100	0
WPD Gertenbach	COMM SER/I&E/FIN	Ward 3	DA	86	2
B Dhludhlu	CORP/COMM SER	PR	DA	100	0
C Matroos	CORP SER/LED	PR	ANC	60	6
A Mabukane	I&E	Ward 10	ANC	80	3
Z Mayoni	I&E/COMM SER/LED	Ward 1	ANC	86	2
R Jantjies	CORP/PDT/LED	PR	DA	100	0
F Baxter	LED/I&E	PR	DA	93	1
H Hendricks	Ex-officio	Ward 15	DA	100	0
B Williams	FINANCE/PDT/LED	PR	DA	100	0
H Bornman	Ex-officio	Ward 11	DA	100	0
FJ Louw	LED/FIN/CORP	PR	DA	93	1
W Coenraad	CORP SER/PDT/COMM	Ward 5	DA	100	0
VA Camealio-Benjamin	LED/FINANCE	PR	ANC	60 (9 /12)	3
C August	LED/PDT/COMM SER	PR	DA	53 (8/10)	2
S Mandeka (Makasi)	PDT	Ward 14	ANC	100	0
S Jujwana	CORP SERVICES	Ward 9	ANC	66	5
L Vorster	FINANCE/PDT	Ward 8	DA	93	1
M Dayimani	FINANCE/I&E	PR	ANC	80	3
D Biggs	CORP SERVICES	PR	DA	33 (5/5)	0
D Benson	CORP SER/COMM SER	PR	DA	100	0
P Nkwalase	CORP SERVICES	PR	ANC	73	4
S Vumazonke	COMM SERVICES	Ward 6	ANC	86	2
N.S Botha	I&E/FINANCE	PR	DA	93	1
DM Nkomo	CORP SERVICES	PR	DA	93	1
T Meleni	COMM SERVICES	Ward 2	ANC	80	3
M Peters	LED	13	ANC	95	0
T Jantjes	COMM SER/I&E	PR	DA	100	0
E Februarie	PDT/FINANCE	PR	ANC	73	4
P Oliphant	PDT/FINANCE	PR	ANC	7 (1/1)	0

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

PORTFOLIO COMMITTEE STRUCTURE – 2018/2019

CORPORATE SERVICES PORTFOLIO COMMITTEE

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	**Bryan Dhludhlu**		• Administration • Human Resources • Strategic Institutional Projects
	Faan Louw	Danny Benson	
	Aaron Nkomo	Robin Jantjies	
	Wilma Coenraad		
	Sibongile Jujwana	Velile Vumazonke	
	Phumza Nkwalase		
Ex-officio	Horatio Hendricks		

PLANNING & DEVELOPMENT PORTFOLIO COMMITTEE

Planning & Development	Committee Members	Alternate Members	Functions
Chairperson	**Ben Rheeder**		• Human Settlements • Town & Regional Planning • MPT
	C August	Ludwig Vorster	
	Wilma Coenraad	Brenton Williams	
	Robin Jantjies		
	Chico Februarie	Cynthia Matroos	
	Sindiswa Mandeka		
Ex-Officio	Horatio Hendricks		

LED & TOURISM PORTFOLIO COMMITTEE

LED & Tourism Portfolio	Committee Members	Alternate Members	Functions
Chairperson	**Frances Baxter**		• Tourism • Creative Industries • Crèches • Events Committee
	Brenton Williams	Ben Rheeder	
	Cynthia August	Robin Jantjies	
	Faan Louw		
	Phumzile Oliphant	Cynthia Matroos	
	Margaret Peters		
Ex-Officio	Horatio Hendricks		

COMMUNITY SERVICES PORTFOLIO COMMITTEE

Community Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	**Daniel Benson**		• Environmental Management • Community Amenities & Environmental Health • Protection Services • Beaches • Mayoral Special Programmes
	Willem Gertenbach	Wilma Coenraad	
	Timothy Jantjes	Bryan Dhludhlu	
	C August		
	Timothy Meleni	Zolani Mayoni	
	Velile Vumazonke		
Ex-Officio	Horatio Hendricks		

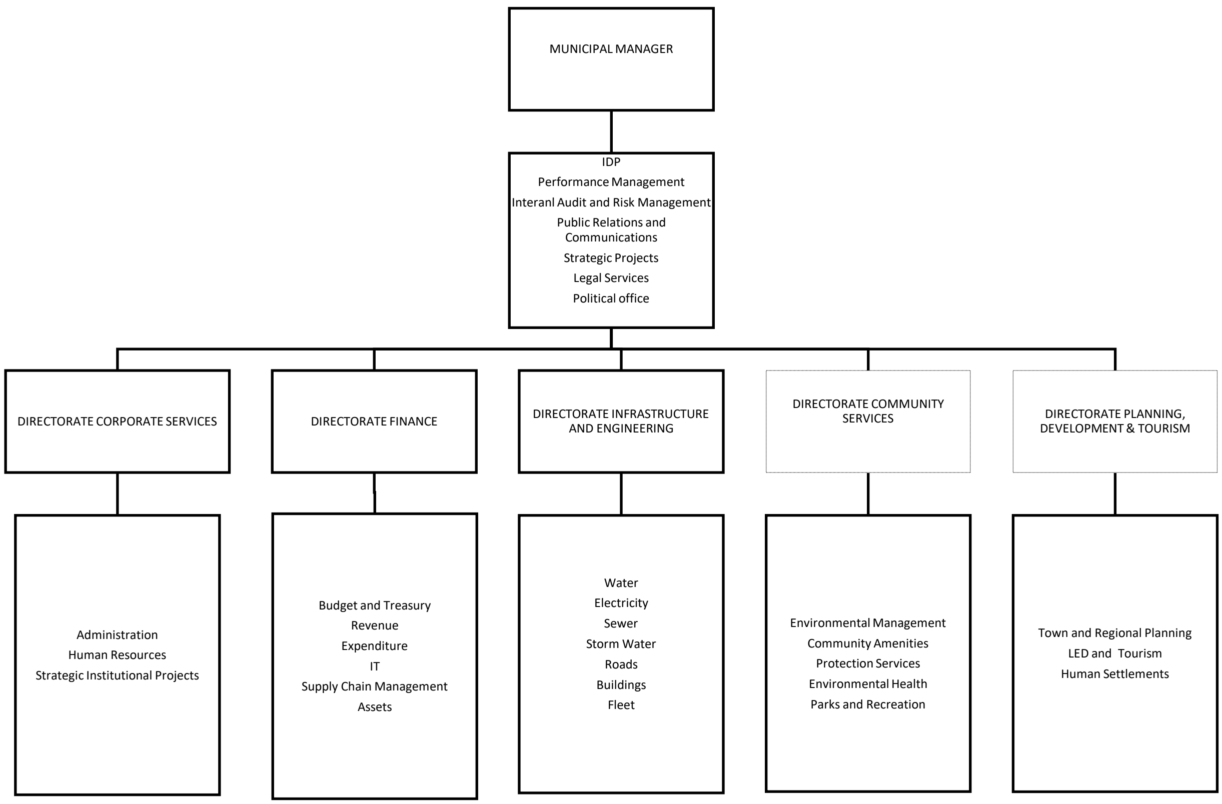
INFRASTRUCTURE & ENGINEERING PORTFOLIO COMMITTTEE

Infrastructure and Engineering Portfolio	Committee Members	Alternate Members	Functions
Chairperson	**Freddie Campher**		• Infrastructure • Civil services • PMU • Electrical Services • Fleet Management
	Ben Rheeder	Willem Gertenbach	
	Nico Botha	Frances Baxter	
	Timothy Jantjes		
	Zolani Mayoni	Amos Mabukane	
	Malibongwe Dayimani		
Ex-Officio	Horatio Hendricks		

FINANCE PORTFOLIO COMMITTEE

Finance Portfolio	Committee Members	Alternate Members	Functions
Chairperson	**Brenton Williams**		• Budget & treasury • Revenue • Expenditure • Assets Management • Supply Chain Management • Information, Communication & Technology • MSCOA
	Nico Botha	Faan Louw	
	Willem Gertenbach	Freddy Campher	
	Ludwig Vorster		
	Malibongwe Dayimani	Chico Februarie	
	Virginia Camealio-Benjamin		
Ex-Officio	Horatio Hendricks		

APPENDIX C: ADMINISTRATIVE STRUCTURE



APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

MUNICIPAL FUNCTION	MUNCIPAL RESPONSIBILITY
Constitution, 1996, Schedule 4, Part B functions	
Air pollution	Social Services
Building regulations	Infrastructure, Development and Planning
Electricity reticulation	Electro-technical Services
Fire fighting services	Social Services
Tourism development and creative industries; and local economic development including agriculture, fishing and events	LED, Creative Industries and Tourism
Municipal planning	Infrastructure, Development and Planning
Municipal public transport	Social Services/Infrastructure, Development and Planning
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or any other law	Infrastructure, Development and Planning
Stormwater management in built-up areas	Infrastructure, Development and Planning
Trading regulations enforcement	Social Services
Water and sanitation services limited to potable water supply and domestic water-water and sewage disposal systems	Infrastructure, Development and Planning
Constitution, 1996, Schedule 5, Part B functions:	
Beaches and amusement facilities	Social Services
Billboards and the display of advertisements in public places	Infrastructure, Planning and Development
Cemeteries, funeral parlours and crematoria	Social Services
Cleansing	Social Services
Control of public nuisances	Social Services
Local amenities	Social Services/Infrastructure, Planning and Development
Local sport facilities	Social Services

Municipal parks and recreation	Social Services
Municipal roads	Infrastructure, Planning and Development
Noise pollution	Social Services
Public places	Social Services
Refuse removal, refuse dumps and solid waste disposal	Social Services
Street trading	Social Services
Street lighting	Infrastructure, Planning and Development
Traffic and parking	Social Services

APPENDIX E: WARD REPORTING

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUNE 201
Cllr Z Mayoni	1	12	12	8	5	4	1	7	11	2	6	5	4	15
Cllr T Meleni	2	12	10	8	10	9	6	4	8	6	7	5	6	6
Cllr W Gertenbach	3	11	25	22	26	24	21	0	9	6	6	10	15	5
Cllr F Campher	4	12	2	5	6	7	6	4	7	4	8	8	9	3
Cllr W Coenraad	5	12	9	1	9	3	7	5	7	6	3	8	2/28	
Cllr V Vumazonke	6	12	11	8	6	9	8	6	9	5	5	2	7	4
Cllr E Februarie	7	11	5	1	4	2	6	0	8	12	5	2	14	4
Cllr L Vorster	8	11	10	7	4	9	6	0	8	5	5	9	14	4
Cllr S Jujwana	9	12	4	7	10	11	7	5	5	8	5	5	2	5
Cllr A Mabukane	10	12	6	7	5	8	6	6	8	6	7	4	14	10
Cllr	8	11	10	21	5	26	24	0	31	19	7	7	21	11

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUNE 201
H Bornman														
Cllr B Rheeder	12	10	11	15	12	17	14	5	0	5	6	10	0	5
Cllr M Peters	13	12	11	8	5	3	7	5	9	6	6	3	2	5
Cllr S Mandeka	14	12	12	8	6	11	9	6	10	11	13	7	14	12
Cllr H Hendricks	15	12	5	7	5	9	8	4	8	5	5	9	14	4

ANNEXURE F: WARD INFORMATION

The following schedule reflects capital projects in Wards:

Capital Project Description	Ward	Approved Budget 2018/19	Funding
Wards Capital Programmes	Ward 1 - 15	1 437 229	Internal
Upgrade community centre	Ward 15	75 734	Internal
Water infrastructure boreholes	Whole of Kouga	1 500 000	Internal
Bucket Eradication Programme	Whole of Kouga	2 300 000	Internal
Illegal electricity connections (LV Network)	Ward 14	1 000 000	Internal
MV Networks	Ward 4 and 5	8 869 565	INEP
New overhead lines 66kv overhead lines (Jbay to Melkhout)	Whole of Kouga	3 000 000	Internal
Jeffreys Bay- Northern Bulk main outfall sewer - area north of R102	Ward 8	1 200 000	Internal
Fencing: New x Loerie Sewer pump station	Ward 7	900 000	Internal
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Ward 4	900 000	Internal
Roads upgrade	Ward 5 and 15	2 500 000	Internal
upgrading of infrastructure for new township establishment	Ward 14	500 000	Internal
Upgrading of the Sea Vista Wastewater Treatment Works	Ward 1	18 503 132	MIG
Humansdorp - Upgrade Kruisfontein Waste Water Treatment Works	Ward 4	2 173 913	MIG
Informal Traders - building	Ward 11 and 13	1 220 951	MIG
Land acquisition housing projects	Ward 6 and 7	1 000 000	Internal
Fencing of existing cemeteries	Ward 11,13 and 15	500 000	Internal
Fencing - Fire Station	Ward 13	200 000	Internal
Upgrading of Sports Facilities	Ward 1 and 2	3 864 352	MIG
Life Guards Beach shelter	Ward 11	250 000	Internal
Fencing of caravan parks & camping sites	Ward 2 and 11	500 000	Internal
Weston Library Upgrade	Ward 13	100 000	Internal
Wheelie bins	Ward 1 and 14	1 500 000	Internal
Fencing of Sport and Recreational Facilities	Ward 7 and 9	500 000	Internal

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

QUARTERLY AUDIT COMMITTEE REPORT ON THE OPERATIONS OF THE INTERNAL AUDIT UNIT AND THE AUDIT COMMITTEE:
1st QUARTER – 2018/2019 FINANCIAL YEAR
The Audit Committee met on the 30th August 2018 in the Council Chambers of the municipality.
Contents of the Report:

RISK REGISTER
Various risks faced by the municipality were discussed.
Illegal electrical connections increase budgetary control risks.
It ws resolved that the risk register needed to be updated to include drought risks.

Monthly Budget statements and financial statements
Monthly budget statements were presented in accordance with Sections 71(1) and 52(d) of the MFMA and the Municipal Budget Reporting Regulations.
The budget statements reflect an overall improvement in the financial performance of the municipality as a whole.

Performance review and the Institutional Report by the Municipal Manager
The contents of the Draft Annual Performance Report on the implementation of the 2017/18 Service Delivery and Budget Implementation Plan was noted, subject to appropriate interventions by management to ensure targets are aligned with the IDP.

Compliance with legislation.
With the appointment of a new Municipal manager, the level of comfort that compliance with legislation has improved, has increased.
Matters of concern still include:
Creditors are not always paid within 30 days as required by S65(2)e of the MFMA.
The backlog in quarterly performance reviews, which require more attention.

A summary of the work performed by the internal audit and the audit committee against the annual work plan;
Internal audit reviewed and reported on:
- Performance reviews for Q1 to 3 of 2017/2018.

Findings indicated a weak control environment. The municipal manager stated that the municipality is in the process of aligning performance targets and the IDP in order to address this legacy issue.

A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;
N/a
Other:
The Draft audit committee charter was noted for approval by council.
The draft Annual financial statements were presented.
Of concern to the audit committee was the following:
- *Insufficient time was provided to review the draft financial statements*
- *Internal audit did not perform a high level review of the AFS, increasing the risks of misstatement and error on the financial statements.*

Fraud and other considerations:
n/a

Details of meetings and the number of meetings attended by each member;

Meeting Date	Mr R Coetzer	Mr J Blignaut (Chair)
30/08/2018	X	X

Conclusion
The Audit committee was fully functional with 2 members during the 1ST quarter of the 2018/2019 year.
Performance management remains an issue due to a backlog n performing performance reviews, and non-alignment of targets.
Compliance with legislation remains a qualitative risk although progress is being made in this regard.
The internal Audit function is functioning effectively.

Yours faithfully
Mr J Blignaut (CA (SA))
Chairperson – Audit Committee

2019-08-27
QUARTERLY AUDIT COMMITTEE REPORT ON THE OPERATIONS OF THE INTERNAL AUDIT UNIT AND THE AUDIT COMMITTEE:
2nd QUARTER – 2018/2019 FINANCIAL YEAR
The Audit Committee met on the 29th November 2018 in the Council Chambers of the municipality.
Contents of the Report:

Monthly Budget statements and financial statements
Monthly budget statements were presented in accordance with Sections 71(1) and 52(d) of the MFMA and the Municipal Budget Reporting Regulations.
The budget statements reflect an overall improvement in the financial performance of the municipality as a whole.

Performance review and the Institutional Report by the Municipal Manager
Water losses were discussed. These are mostly non metered.
Significant funding was received for disaster funding iro drought.
The major challenge faced by the municipality was to spend the capital budgets appropriately within the limited time frames.
The Municipal Manager mentioned that the municipality is in the process of aligning the objectives with the Budget. There are a lot of improvement on the IDP, but a lot of work still needs to be done.

Compliance with legislation and risk management.
The appointment of an Internal Risk Manager (head of internal Audit) was discussed.
The appointment is due to take effect on 1 February 2019.
This will lead to quarterly risk management meetings taking place, and the downscaling of the use of external consultants.
It was resolved that:
- That the Performance agreements be amended, and additional targets be added in the SDBIP.
- That the Risk Register be updated

Matters of concern still include:
Creditors are not always paid within 30 days as required by S65(2)e of the MFMA, mainly due to the outstanding Metro bill amounting to approximately R43 million

A summary of the work performed by the internal audit and the audit committee against the annual work plan;
The relationship with internal audit has broken down and therefore testing of controls as per the internal audit plan did not materialise.
It was proposed that a progress report on the work of internal audit vs the Internal audit plan be submitted to the committee at the next meeting.
Our concern as an audit committee is that the above deficiencies may result in a qualified audit opinion from external audit.

A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof;
Findings of External Audit
It was resolved that Accounting Officer ensures that the Performance Reporting system includes items/findings raised by the Auditor General.

Other considerations:
The appointment of a third Audit Committee member was discussed, and advertised by the council.

Fraud and other considerations:
n/a

Details of meetings and the number of meetings attended by each member;

Meeting Date	Mr R Coetzer	Mr J Blignaut (Chair)
30/08/2018	X	X
29/11/2018	X	X

Conclusion
The Audit committee was fully functional with 2 members during the 2nd quarter of the 2018/2019 year.
Compliance with legislation remains a qualitative risk although progress is being made in this regard.

The internal Audit function is functioning effectively.

Yours faithfully

Mr J Blignaut (CA (SA))
Chairperson – Audit Committee

2019-08-29
QUARTERLY AUDIT COMMITTEE REPORT ON THE OPERATIONS OF THE INTERNAL AUDIT UNIT AND THE AUDIT COMMITTEE:
3rd QUARTER – 2018/2019 FINANCIAL YEAR
The Audit Committee met on the 4th April 2019 in the Council Chambers of the municipality.
Contents of the Report:

PERFOMANCE REVIEW AND THE INSTITUIONAL REPORT BY THE MUNICIPAL MANAGER
Performance reviews are being performed, and the performance reporting system is working effectively.
The Municipal manager pointed out that the municipality is cognisant of the issues pertaining to performance targets as raised by the AG.
The Mid-year Institutional Performance Report: 2018/19 Financial year:
Period 1 July 2018 to 31 December 2018 as submitted was noted.

QUARTERLY BUDGET STATEMENTS:
The CFO presented the Quarterly budget statements as at 29 February 2019.
The quality of financial reporting has vastly improved, and the municipality's liquidity position and other financial indicators are also improving year on year.
Capital Expenditure was raised as a concern, due to the back-log in achieving expenditure as per the approved budgets.

COMPLIANCE WITH LEGISLATION
Matters of non compliance remain a matter of concern.
These include:
- Creditors are not always paid within 30 days as required by S65(2)e of the MFMA.

It was proposed to set up a workshop intended to inform relevant parties of all legislation pertaining to and or affecting the municipality

INTERNAL AUDIT
The newly appointed Internal Audit manager presented the revised internal Audit charter for approval during March 2019.
The amendments were necessary due to the fact that the internal audit function was previously outsourced and was now an internal function.
No Internal audit work was presented to the Audit committee during the quarter, and a significant delay in the scope of works vs the Internal audit plan is anticipated.
The lack testing of internal controls pose a significant threat to the municipalities ambitions of achieving an unqualified audit opinion.

FINANCIAL MANAGEMENT AND REPORTING OF MONTHLY BUDGET STATEMENTS
Most financial ratios are improving on an annual basis.
The following items remain concerns:
- Capital projects remain under spent compared to budget.

FRAUD CONSIDERATIONS
n/a

Details of meetings and the number of meetings attended by each member;

Meeting Date	Mr R Coetzer	Mr J Blignaut (Chair)
30/08/2018	X	X
29/11/2018	X	X
4/04/2019	X	X

Conclusion
The Audit committee was fully functional with 2 members during the 3RD quarter of the 2018/2019 year.
Yours faithfully
Mr J Blignaut (CA (SA))
Chairperson – Audit Committee

2019-08- 30

QUARTERLY AUDIT COMMITTEE REPORT ON THE OPERATIONS OF THE INTERNAL AUDIT UNIT AND THE AUDIT COMMITTEE:

4th QUARTER – 2018/2019 FINANCIAL YEAR

The Audit Committee met on the 26th June 2019 in the Council Chambers of the municipality.

Contents of the Report:

PERFOMANCE REVIEW AND THE INSTITUIONAL REPORT BY THE MUNICIPAL MANAGER

The Municipal manager and the mayor did not attend the audit committee meeting. Differences between the SDBIP and performance reporting was identified by the representatives from the Auditor General's offices, which require further attention from management in order to ensure the targets and areas of performance measurement are aligned and also correctly included in Manager's performance agreements.

COMPLIANCE WITH LEGISLATION

Matters of non compliance remain a matter of concern.
These include:
- Creditors are not always paid within 30 days as required by S65(2)e of the MFMA.

INTERNAL AUDIT

A summary of the work performed by the internal audit and the audit committee against the annual work plan;

Due to the fact that internal audit's appointment was only concluded during the quarter, Internal Audit work performed related only to the review of Performance Management (PMS) for Quarters 1 and 2 of 2018.
The amended internal Audit plan was approved during the quarter, and includes amendments to the internal audit plan due to significant delays in auctioning vs the internal audit plan.

RISK MANAGEMENT

n/a.

FINANCIAL MANAGEMENT AND REPORTING OF MONTHLY BUDGET STATEMENTS

Most financial ratios are improving on an annual basis.

FRAUD CONSIDERATIONS

Nothing to report.

Details of meetings and the number of meetings attended by each member;

Meeting Date	Mr R Coetzer	Mr J Blignaut (Chair)
30/08/2018	X	X
29/11/2018	X	X
4/04/2019	X	X
26/06/2019	X	X

OTHER:

Conclusion

The Audit committee was functional with 2 members during the 4th quarter of the 2018/2019 year. A new Committee member needs to be appointed.

Yours faithfully

Mr J Blignaut (CA (SA))

Chairperson – Audit Committee

APPENDIX H: LONG TERMS CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE

Note that the Municipal Systems Act defines a Municipal Service Provider as a service provider as a person or institution or any combination of persons and institutions which provide a municipal service.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST

The following Senior Managers completed the prescribed declaration of interest for the 2018/19 year:

NAME	POSITION
C du Plessis	Municipal Manager
S Thys	Chief Financial Officer (Director Finance)
N Machelesi	Director: Community Services
K Moodley	Director: Corporate Services
V Felton	Director: Infrastructure and Engineering
F Mabusela	Director: Planning, Development and Tourism

APPENDIX K: REVENUE COLLECTION PERFORMANCE

APPENDIX K (i): REVENUE BY VOTE

Revenue by Vote	Actuals	
	2019	2018
Vote Description	**R**	**R**
Executive and Council		35 000
Finance	313 472 301	289 448 944
Corporate Services	1 222 286	95 945
Planning, Development and Tourism	3 444 252	3 100 126
Infrastructure and Engineering	463 212 011	352 569 368
Community Services	98 756 838	97 201 792
Total Revenue by Vote	**880 107 688**	**742 451 175**

APPENDIX K (ii): REVENUE BY SOURCE

Item Description	Actual 2019	Actual 2018
	R	R
Revenue by Source		
Property Rates	184 331 308	160 619 768
Fines, Penalties and Forfeits	21 333 783	34 832 471
Licences and Permits	15 792 788	13 546 854
Transfers and Subsidies	216 899 825	146 848 088
Interest, Dividends and Rent on Land Earned – Non-Exchange	1 325 934	1 125 936
Service Charges	413 280 935	360 352 117
Sales of Goods and Rendering of Services	6 171 011	8 834 374
Rental from Fixed Assets	609 214	614 198
Interest, Dividends and Rent on Land Earned – Exchange	18 908 767	14 409 988
Operational Revenue	1 454 124	1 267 381
Total Revenue by Source	**880 107 688**	**742 451 175**

APPENDIX L: CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

Name of Grant	Amount Received	Amount Spent
	R	R
FMG	1 770 000	1 770 000
INEP	10 200 000	10 200 000
EPWP Incentive Grant	1 013 000	1 013 000
WSIG	151 228 000	53 210 662
Total	**164 211 000**	**66 193 662**

APPENDIX M: CAPITAL EXPENDITURE, NEW AND UPGRADE PROGRAMS INCLUDING MIG

Project Name	Project Cost	Actual Expenditure As at 30 June 2019	Funding Source
Upgrading of Kruisfontein Wastewater Treatment	85 678 559	2 471 036	MIG
Upgrading of Sea-Vista Wastewater Treatment Works	53 745 039	25 888 122	MIG
Upgrading of Sports Facilities	29 757 396	1 224 423	MIG
Total		**29 583 581**	

Description	Actual	
	2019	2018
	R	R
CAPITAL EXPENDITURE BY VOTE		
Executive & Council	1 398 761	523 810
Financial Services	1 322 564	2 223 115
Corporate Services	2 628 616	1 603 642
Planning, Development and Tourism	336 348	1 861 181
Infrastructure & Engineering	83 574 714	28 457 348
Community Services	4 166 035	13 150 123
Total Capital Expenditure	**93 427 038**	**47 819 219**

APPENDIX N: CAPITAL PROJECT BY PROGRAMME, CURRENT YEAR

Projects	Funding	Approved Budget 2019/20
EXECUTIVE & COUNCIL		
Computer Equipment	Internal	190 000
Furniture and Equipment	Internal	260 000
Ward Councillors Capital (Markets)	Internal	750 000
		1 200 000
CORPORATE SERVICES		
Computer Equipment	Internal	198 000
Furniture and Equipment	Internal	550 000
Library upgrade û Corporate Services	Internal	100 000
Buildings	Internal	1 000 000
EDMS	Internal	540 506
Biometric system	Internal	130 000
Vehicle	Internal	250 000
Software upgrade	Internal	300 000
		3 068 506
FINANCE		
Furniture and Equipment	Internal	300 000
Computer Equipment	Internal	300 000
Container (Assets)	Internal	50 000
Filing system (SCM)	Internal	350 000
Fencing (Stores)	Internal	150 000
Shelving (SCM)	Internal	200 000
Containers (SCM)	Internal	100 000
WIFI Solution	Internal	250 000
Cybex Software	Internal	600 000
Vehicle	Internal	300 000
		2 600 000

Projects	Funding	Approved Budget 2019/20
PLANNING, DEVELOPMENT & TOURISM		
Computer Software and Applications	Internal	300 000
Computer Equipment	Internal	60 000
Furniture and equipment	Internal	200 000
Land acquisition housing projects	Internal	1 700 000
Arts and Creative Industries	DISTRICT	100 000
LED Capital Projects	Internal	1 000 000
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	MIG	1 220 951
		4 580 951
COMMUNITY SERVICES		
Fencing	Internal	1 300 000
Machinery and Equipment	Internal	1 400 000
Vehicle	Internal	2 300 000
Furniture and Equipment	Internal	350 000
Wheelie Bins	Internal	2 000 000
Life Guards Beach Tower	Internal	100 000
Upgrading of Sports Facilities	MIG	3 936 841
Upgrading of Kwanomzamo Sports Facility	MIG	5 413 043
Computer Equipment	Internal	300 000
Fencing Fire Station Hankey	Internal	300 000
Vehicle	DISTRICT	1 965 100
Upgrading of Yellow Woods	Internal	150 000
Upgrading of play parks	Internal	200 000
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Internal	450 000
Vehicles	Internal	1 150 000
Upgrading of sport & recreation facilities	Internal	500 000
		21 814 985

Projects	Funding	Approved Budget 2019/20
INFRASTRUCTURE & ENGINEERING		
Furniture and Equipment	Internal	10 000
Computer Equipment	Internal	25 000
Machinery and equipment	Internal	330 000
Vehicles	Internal	2 600 000
Energy and Demand Side Management	INEP	3 478 261
New overhead lines 66kv overhead lines (Jbay to Melkhout)	Internal	1 800 000
Upgrading of the Sea Vista Wastewater Treatment Wo	MIG	15 859 937
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363 655

Patensie Sewage Package Plant	MIG	4 429 441
Upgrade Sanitation System Old Hankey	MIG	434 783
LV Networks (Informal Areas, Electrification/illegal Connections)	Internal	1 000 000
Pump Station Capital	Internal	750 000
Security Camera	Internal	200 000
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1 500 000
Roads Capital	Internal	1 500 000
Bucket Eradication Programme	Internal	2 300 000
St Francis bulk main outfall sewer	Internal	500 000
Sewer REPLACE OLD PUMPS	Internal	750 000
Electrical replacement of old and dangerous switch gear Safety Substation Humansdorp	Internal	2 000 000
Electrical Replacement of old mv cables to main substation Humansdorp	Internal	1 200 000
Electrical supply of tri switches St Francis Bay	Internal	200 000
Electrical Supply auto recloser St Francis Bay	Internal	400 000
Electrical Mini substation 22 000/11000/400 St Francis Bay	Internal	700 000
Electrical 5 MV 22000/11000 transformer	Internal	1 400 000
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Internal	800 000
Purchase storage containers (3)	Internal	200 000
KwaNomzamo Wastewater Treatment Works	WSIG_NT	8 695 652
Humansdorp, Kruisfontein and Ocean View Electrification	INEP	5 219 130
High Mast Lights	Internal	1 200 000
		59 845 860
		93 110 302
Internally generated funds		41 993 506
Transfers recognised - capital		51 116 796
Total		**93 110 302**

APPENDIX O: CAPITAL PROJECTS BY WARD

Projects	Ward	Funding	Approved Budget 2019/20
Ward Councillors Capital (Markets)	Ward 1 - 15	Internal	750 000
Land acquisition housing projects	Ward 6 and 7	Internal	1 700 000
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	Ward 9,11 & 13	MIG	1 220 951
Fencing	Ward 5,6,7 & 9	Internal	1 300 000
Machinery and Equipment	Ward 1 – 15	Internal	1 400 000
Wheelie Bins	Ward 4,5,6,7,9,13,15	Internal	2 000 000
Upgrading of Sports Facilities	Ward 1 & 12	MIG	3 936 841
Upgrading of Kwanomzamo Sports Facility	Ward 6,12 & 15	MIG	5 413 043
Fencing Fire Station Hankey	Ward 13	Internal	300 000
Upgrading of Yellow Woods	Ward 9	Internal	150 000
Upgrading of play parks	Ward 4 & 5	Internal	200 000
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Ward 2,3 & 12	Internal	450 000
Upgrading of sport & recreation facilities	Ward 1,2,5,6,7,9,10,11 &13	Internal	500 000
Energy and Demand Side Management	Ward 1,2,3,4,5,6,8,10,11,12 ,14 &15	INEP	3 478 261
New overhead lines 66kv overhead lines (Jbay to Melkhout)	Ward 8,3,14,11	Internal	1 800 000
Upgrading of the Ses Vista Wastewater Treatment Works	Ward 1 & 12	MIG	15 859 937
Upgrading of Gravel Roads in Jeffreys Bay	Ward 4,5,6,12 & 15	MIG	363 655
Patensie Sewage Package Plant	Ward 10 & 13	MIG	4 429 441
Upgrade Sanitation System Old Hankey	Ward 9	MIG	434 783
LV Networks (Informal Areas, Electrification/illegal Connections)	Ward 2 and 14	Internal	1 000 000
Pump Station Capital	Ward 7 & 14	Internal	750 000
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Ward 2, 11 & 14	Internal	1 500 000
Roads Capital	Ward 2	Internal	1 500 000
Bucket Eradication Programme	Ward 1,4,5,6,7,9,10,13 and 15	Internal	2 300 000
St Francis bulk main outfall sewer	Ward 12	Internal	500 000
Sewer REPLACE OLD PUMPS	Ward 2,3 & 6	Internal	750 000

Electrical replacement of old and dangerous switch gear Safety Substation Humansdorp	Ward 6 and 14	Internal	2 000 000
Electrical Replacement of old mv cables to main substation Humansdorp	Ward 6 and 14	Internal	1 200 000

Projects	**Ward**	**Funding**	**Approved Budget 2019/20**
Electrical supply of tri switches St Francis Bay	Ward 1 and 12	Internal	200 000
Electrical Supply auto recloser St Francis Bay	Ward 1 and 12	Internal	400 000
Electrical Mini substation 22 000/11000/400 St Francis Bay	Ward 1 and 12	Internal	700 000
Electrical 5 MV 22000/11000 transformer	Ward 14	Internal	1 400 000
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Ward 2,3,8,11 and 14	Internal	800 000
Purchase storage containers (3)	Ward 2,3,8,11 and 14	Internal	200 000
KwaNomzamo Wastewater Treatment Works	Ward 6, 12 & 15	WSIG_NT	8 695 652
Humansdorp, Kruisfontein and Ocean-View Electrification	Ward 5 and 14	INEP	5 219 130
High Mast Lights	Ward 4,5 and 6	Internal	1 200 000

APPENDIX P: SERVICE DELIVERY BACKLOG AT SCHOOLS AND CLINICS

All Schools and Clinics within established towns have access to all municipal services.

APPENDIX Q: SERVICE DELIVERY BACKLOG WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE DELIVERY

The following needs or actions required from Sector Departments were identified during the IDP development process. The municipality will, during IGR and the District Representative Forum engagements, regularly follow-up on these matters in order to provide feedback on possible actions to communities.

DEPARTMENT	PROJECT DESCRIPTION
Department of Agriculture	Support and education to emerging farmers
Department of Community Safety/SAPS	Satellite police station for Ward 1
	Collaboration with municipal law enforcement to maximise safety in wards
	Establish community policing forums in all wards
Department of Sports, Arts and Culture	Maintenance of sports fields (Backlogs)
	Construction of multi-purpose sports centres in Ward 4, 6, 7 and 14,
	Library in Andrieskraal, Ward 10
	Library in Ocean View, Ward 14
	Clinics in: • Kwanomzamo (Vergenoeg) - Ward 6 • Oyster Bay - Ward 1 • Hankey - Ward 9 **Mobile clinics in:** • Kruisfontein, Humansdorp - Ward 4 • Ocean View - Ward 14
	Staffing of clinics in Ward 2, 4, 5 and 9
Department of Land Reform and Rural Development	Land for emerging farmers
	Comprehensive rural development programme for Ward 4, 7, 9, 10, 14
	Land for housing for farming community in Andrieskraal Ward 10
Department of social services	Increase social development programmes i.e. drug abuse, alcohol abuse etc.
	Consider building of old age and frail centres for the less privileged communities
	Educational programmes to address decrease gr8 and gr12 school leavers
Department of Local Government	Consider the housing applications to address the housing backlogs
	Rectification of the RDP houses in Kouga
	Rectification of mud houses in Ward 13
Department of Environmental Affairs	Recycling projects, campaign and environmental education
Department of Transport	Live Capturing Units equipment and staff needed

Table 191 : Sector Department Interventions

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER SECTION 71 OF THE MFMA

All MFMA Section 71 returns were submitted within the laid down time frames for the 12017/18 year.

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

No input to provide on information not covered elsewhere in the Annual Report that can be used by National and Provincial Government to monitor and evaluate service delivery performance.

APPENDIX U: ANNUAL FINANCIAL STATEMENTS

KOUGA

local municipality

Good Governance through Service Excellence

AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019

KOUGA LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE AS AT 30 JUNE 2019

H Hendricks	Executive Mayor
F Campher	Infrastructure and Engineering
B Reeder	Planning and Development
B Williams	Finance
B Dhludhlu	Corporate Services
D Benson	Community Services
F Baxter	Local Economic Development and Tourism

AUDITOR-GENERAL

69 Frere Road, Vincent, East London, 5247
Eastern Cape

BANKERS

First National Bank
Private Bag X5
Jeffreys Bay, 6330

REGISTERED OFFICE

33 Da Gama Road Jeffreys Bay	P O Box 21 Jeffreys Bay 6330	Tel: (042) 200 2200 Fax: (042) 293 4204

Webpage: www.kouga.gov.za
E-mail: registry@ec108.org.za

MUNICIPAL MANAGER

Mr. C. du Plessis

CHIEF FINANCIAL OFFICER

Mr. S Thys

LEGAL FORM

Category B Municipality which operates in accordance with Chapter 7 of the Constitution of South Africa.

The Objects of Local Government are:
to provide democratic and accountable government for local communities;
to ensure the provision of services to communities in a sustainable manner;
to promote social and economic development;
to promote a safe and healthy environment; and
to encourage the involvement of communities and community organisations in the matters of local government

The Municipality must strive, within its financial and administrative capacity, to achieve the objects as set out above.

JURISDICTION

Greater Kouga area which includes:

Humansdorp
St Francis Bay, Cape St Francis, Oyster Bay
Hankey, Jeffreys Bay, Loerie
Patensie, Thornhill

MEMBERS OF THE KOUGA LOCAL MUNICIPALITY

WARD	COUNCILLOR	
1	Mayoni	Z
2	Meleni	T
3	Gertenbach	W
4	Campher	F
5	Coenraad	W
6	Vumazonke	V
7	Februarie	E
8	Vorster	L
9	Jujwana	S
10	Mabukane	A
11	Bornman	H
12	Rheeder	B
13	Peters	M
14	Makasi	S
15	Hendricks	H
Proportional	August	C
Proportional	Oliphant	P
Proportional	Jantjies	R
Proportional	Dayimani	M
Proportional	Louw	F
Proportional	Matroos	C
Proportional	Nkomo	A
Proportional	Nkwalase	P
Proportional	Botha	N
Proportional	Dhludhlu	B
Proportional	Benson	D
Proportional	Jantjes	T
Proportional	Williams	B
Proportional	Baxter	F

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in accordance with Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister for Cooperative Governance and Traditional Affairs' determination in accordance with this Act.

Mr. C du Plessis **Municipal Manager**	31 AUGUST 2019 **Date**

KOUGA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Note	Actual 2019 R	2018 Restated R
ASSETS			
Current Assets		**355 726 635**	**199 266 865**
Inventories	**2**	9 249 357	6 666 181
Receivables from Exchange Transactions	**3**	54 093 203	48 834 181
Receivables from Non-exchange Transactions	**4**	31 122 849	26 465 782
VAT Receivable	**5**	46 795 893	22 713 472
Cash and Cash Equivalents	**6**	214 227 967	94 315 125
Operating Lease Receivables	**7**	234 365	269 124
Current Portion of Long-term Receivables	**8**	3 000	3 000
Non-Current Assets		**2 261 605 900**	**2 244 133 562**
Property, Plant and Equipment	**9**	2 018 797 106	2 001 263 850
Intangible Assets	**10**	243 850	301 768
Investment Property	**11**	242 551 944	242 551 944
Long-term Receivables	**12**	13 000	16 000
Total Assets		**2 617 332 534**	**2 443 400 427**
LIABILITIES			
Current Liabilities		**246 921 563**	**126 346 248**
Consumer Deposits	**13**	17 378 122	15 240 869
Provisions	**14**	29 648 800	24 504 611
Payables from Exchange Transactions	**15**	87 382 553	70 715 226
Unspent Conditional Grants and Receipts	**16**	103 445 548	6 941 508
Current Portion of Long-term Liabilities	**17**	9 066 539	8 944 035
Non-Current Liabilities		**179 799 230**	**185 581 329**
Long-term Liabilities	**17**	16 354 409	23 600 396
Employee Benefit Liabilities	**18**	94 807 417	96 300 999
Non-current Provisions	**19**	68 637 404	65 679 934
Total Liabilities		**426 720 793**	**311 927 577**
Total Assets and Liabilities		**2 190 611 741**	**2 131 472 850**
NET ASSETS		**2 190 611 741**	**2 131 472 850**
Accumulated Surplus	**20**	2 190 611 741	2 131 472 850
Total Net Assets		**2 190 611 741**	**2 131 472 850**

KOUGA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Note	Actual 2019 R	2018 Restated R
REVENUE			
Revenue from Non-exchange Transactions		**439 683 637**	**356 973 117**
Property Rates	**21**	184 331 308	160 619 768
Fines, Penalties and Forfeits	**22**	21 333 783	34 832 471
Licences and Permits	**23**	15 792 788	13 546 854
Transfers and Subsidies	**24**	216 899 825	146 848 088
Interest, Dividends and Rent on Land Earned	**28**	1 325 934	1 125 936
Revenue from Exchange Transactions		**440 424 050**	**385 478 058**
Service Charges	**25**	413 280 935	360 352 117
Sales of Goods and Rendering of Services	**26**	6 171 011	8 834 374
Rental from Fixed Assets	**27**	609 214	614 198
Interest, Dividends and Rent on Land Earned	**28**	18 908 767	14 409 988
Operational Revenue	**29**	1 454 124	1 267 381
Total Revenue		**880 107 688**	**742 451 175**
EXPENDITURE		**820 968 796**	**740 044 276**
Employee Related Costs	**30**	274 158 400	245 776 991
Remuneration of Councillors	**31**	12 202 166	12 065 883
Depreciation and Amortisation	**32**	75 855 819	73 617 801
Impairment Losses	**33**	45 764 042	61 478 776
Interest, Dividends and Rent on Land	**34**	6 637 780	9 245 059
Bulk Purchases	**35**	234 527 407	217 588 330
Contracted Services	**36**	62 693 690	35 492 455
Inventory Consumed	**37**	27 381 399	20 594 170
Transfers and Subsidies Paid	**38**	-	372 340
Operating Leases	**39**	9 510 378	2 725 534
Operational Costs	**40**	71 487 261	59 495 162
Loss on Disposal of Property, Plant and Equipment	**41**	750 454	1 591 775
Total Expenditure		**820 968 796**	**740 044 276**
SURPLUS / (DEFICIT) FOR THE YEAR		**59 138 891**	**2 406 899**

Refer to Budget Statement for explanation of budget variances

KOUGA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus/(Deficit)	Total Net Assets
	R	R
2018		
Balance at 30 June 2017	**2 102 468 664**	**2 102 468 664**
Correction of Error (Note 42)	26 077 075	26 077 075
Restated Balance	**2 128 545 739**	**2 128 545 738**
Reversal of Correction of Error previously disclosed on AFS	520 204	520 204
Surplus / (Deficit) for the year	2 406 899	2 406 899
Prior year Audited Surplus	*(1 978 303)*	*(1 978 303)*
Restatement of Revenue	*(589 561)*	*(589 561)*
Restatement of Expenditure	*4 974 763*	*4 974 763*
Rounding differences	10	10
Balance at 30 June 2018	**2 131 472 851**	**2 131 472 850**
2019	-	
Correction of Error (Note 42)	-	-
Restated Balance	**2 131 472 851**	**2 131 472 850**
Surplus / (Deficit) for the year	59 138 890	59 138 890
Balance at 30 June 2019	**2 190 611 741**	**2 190 611 741**

Details on the movement of the Funds and Reserves are set out in Note 20.

KOUGA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Note	Actual 2019 R	2018 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**920 243 591**	**671 567 314**
Property Rates	21	181 926 552	159 940 086
Transfers and Subsidies	24	313 403 865	147 382 843
Service Charges	25	375 024 303	331 098 472
External Interest and Dividends Received	28	11 946 693	8 751 748
Other Receipts	29	37 942 178	24 394 165
Payments		**(698 268 552)**	**(603 817 108)**
Employee Related Costs	30	(271 908 268)	(240 166 744)
Remuneration of Councillors	31	(12 202 166)	(12 065 883)
External Interest and Dividends Paid	34	(3 443 107)	(4 571 726)
Suppliers Paid	36	(310 518 346)	(277 421 744)
Other Payments	40	(76 114 244)	(58 166 352)
VAT Receivable / Payable	5	(24 082 421)	(11 424 658)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**221 975 039**	**67 750 206**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	9	(94 313 177)	(50 000 831)
Proceeds on Disposal of Property, Plant and Equipment	41	(628 537)	885 959
Decrease / (Increase) in Long-term Receivables	12	3 000	48 751
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(94 938 714)**	**(49 066 121)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings	17	(7 123 483)	(8 622 667)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(7 123 483)**	**(8 622 667)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**119 912 842**	**10 061 419**
Cash and Cash Equivalents at Beginning of Period		94 315 125	84 253 706
Cash and Cash Equivalents at End of Period	6	214 227 967	94 315 125

KOUGA LOCAL MUNICIPALITY

THE STATEMENT OF COMPARISON OF BUDGET INFORMATION WITH ACTUAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

RECONCILIATION OF BUDGETED FINANCIAL POSITION WITH THE STATEMENT OF FINANCIAL POSITION:

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL POSITION								
Current Assets								
Inventories	4 513 498	2 152 683	6 666 181	6 666 181	9 249 357	2 583 176	138.75	204.93
Receivables from Exchange Transactions	42 559 000	(176 976)	42 382 024	42 382 024	54 093 203	11 711 180	127.63	127.10
Receivables from Non-exchange Transactions	31 184 000	(321 441)	30 862 559	30 862 559	31 122 849	260 290	100.84	99.80
VAT Receivable	-	-	-	-	46 795 893	46 795 893	0.00	0.00
Cash and Cash Equivalents	53 560 788	31 146 231	84 707 019	84 707 019	214 227 967	129 520 948	252.90	399.97
Operating Lease Receivables	-	-	-	-	234 365	234 365	0.00	0.00
Current Portion of Long-term Receivables	3 000	-	3 000	3 000	3 000	-	100.00	100.00
Non-Current Assets								
Property, Plant and Equipment	2 157 628 176	32 314 890	2 189 943 066	2 189 943 066	2 018 797 106	(171 145 960)	92.18	93.57
Intangible Assets	62 225	239 543	301 768	301 768	243 850	(57 918)	80.81	391.88
Investment Property	285 199 244	(587 000)	284 612 244	284 612 244	242 551 944	(42 060 300)	85.22	85.05
Long-term Receivables	64 751	(48 751)	16 000	16 000	13 000	(3 000)	81.25	20.08
Total Assets	2 574 774 682	64 719 179	2 639 493 861	2 639 493 861	2 617 332 534	(22 161 327)	99.16	101.65
Current Liabilities								
Consumer Deposits	10 478 553	4 762 316	15 240 869	15 240 869	17 378 122	2 137 254	114.02	165.84
Provisions	23 097 154	1 407 456	24 504 611	24 504 611	29 648 800	5 144 190	120.99	128.37
Payables from Exchange Transactions	87 054 449	39 456 759	126 511 207	126 511 207	87 382 553	(39 128 654)	69.07	100.38
Payables from Non-exchange Transactions	-	-	-	-	-	-	0.00	0.00
Unspent Conditional Grants and Receipts	-	-	-	-	103 445 548	103 445 548	0.00	0.00
Bank Overdraft	-	-	-	-	-	-	0.00	0.00
Current Portion of Long-term Liabilities	13 246 996	(4 302 961)	8 944 035	8 944 035	9 066 539	122 504	101.37	68.44
Non-Current Liabilities								
Long-term Liabilities	23 112 027	488 369	23 600 396	23 600 396	16 354 409	(7 245 987)	69.30	70.76
Employee Benefit Liabilities	93 863 466	(9 851 467)	84 011 999	84 011 999	94 807 417	10 795 418	112.85	101.01
Non-current Provisions	66 268 905	11 700 028	77 968 934	77 968 934	68 637 404	(9 331 530)	88.03	103.57
Total Liabilities	317 121 549	43 660 501	360 782 050	360 782 050	426 720 793	65 938 743	118.28	134.56
Total Assets and Liabilities	**2 257 653 133**	**21 058 678**	**2 278 711 811**	**2 278 711 811**	**2 190 611 741**	**(88 100 070)**	**96.13**	**97.03**
Net Assets (Equity)								
Accumulated Surplus / (Deficit)	2 257 653 133	21 058 678	2 278 711 811	2 278 711 811	2 190 611 741	(88 100 070)	96.13	97.03
Total Net Assets	**2 257 653 133**	**21 058 678**	**2 278 711 811**	**2 278 711 811**	**2 190 611 741**	**(88 100 070)**	**96.13**	**97.03**

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Position are explained below:

Inventories:

Inventories are held by the municipality for own consumption. Inventories Include consumables, material and supplies and water stock held at the end of the financial year. The budgeted amount is lower than anticipated.

Receivables from Exchange Transactions:

The variance is due to unanticipated increase in debtors' accruals.

VAT Receivable:

National Treasury Budget Template not aligned to GRAP and does not provide for VAT Receivable.

Cash and Cash Equivalents:

The Cash and Cash Equivalents is influenced by the Capital Projects rollover to 2019/20 and the underspending on the Water Services Infrastructure Grant.

Operating Lease Reveivables:

NT Budget Template not aligned to GRAP and does not provide for Operating Lease Receivables.

Intangible Assets:

Budget provision sightly higher than anticipated.

Long-term Receivables:

Budget provision sightly higher than anticipated.

Consumer Deposits:

This amount relates to deposits paid by the consumers for new water and electricity connections. The actuals are sightly higher than budgted amount.

Provisions:

This amount relates to Employee Related Benefits and Rehabilitation of landfill sites. The actuals are sightly higher than budgeted amount.

Payables from Exchange Transactions:

The variance is due to the classification of the Nelson Mandela Metro bulk water account as contingent liability.

Unspent Conditional Grants and Receipts:

No budget provision is allowed for the Unspent Conditional Grants, unless a rollover has been approved by National Treasury.

Long-term Liabilities:

It was over-budgeted for Long-term Liabilities.

Employee Benefit Liabilities:

Actuals recognised are sightly higher than budgeted amount.

Non-current Provisions:

Budget provision sightly higher than anticipated.

RECONCILIATION OF BUDGETED FINANCIAL PERFORMANCE WITH THE STATEMENT OF FINANCIAL PERFORMANCE:

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
FINANCIAL PERFORMANCE								
Revenue from Non-exchange Transactions								
Property Rates	176 766 233	7 944 536	184 710 769	184 710 769	184 331 308	(379 461)	99.79	104.28
Fines, Penalties and Forfeits	4 229 954	(3)	4 229 951	4 229 951	21 333 783	17 103 832	504.35	504.35
Licences and Permits	13 107 999	(2 147 784)	10 960 215	10 960 215	15 792 788	4 832 573	144.09	120.48
Transfers and Subsidies	163 444 986	151 328 100	314 773 086	314 773 086	216 899 825	(97 873 261)	68.91	132.71
Interest, Dividends and Rent on Land Earned	8 641 911	(7 231 494)	1 410 417	1 410 417	1 325 934	(84 483)	94.01	15.34
Revenue from Exchange Transactions								
Licences and Permits	3 553 426	(1)	3 553 425	3 553 425	-	(3 553 425)	0.00	0.00
Service Charges	400 096 428	10 230 416	410 326 844	410 326 844	413 280 935	2 954 091	100.72	103.30
Sales of Goods and Rendering of Services	7 012 537	(2 387 434)	4 625 103	4 625 103	6 171 011	1 545 908	133.42	88.00
Rental from Fixed Assets	1 880 591	1 162 888	3 043 479	3 043 478	609 214	(2 434 264)	20.02	32.39
Interest, Dividends and Rent on Land Earned	13 904 998	809 637	14 714 635	14 714 635	18 908 767	4 194 132	128.50	135.99
Operational Revenue	904 503	2	904 505	904 506	1 454 124	549 618	160.76	160.76
Gains on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	0.00	0.00
Total Revenue	793 543 566	159 708 863	953 252 429	953 252 429	880 107 688	(73 144 741)	92.33	110.91
Expenditure								
Employee Related Costs	272 802 506	(129 506)	272 673 000	272 673 000	274 158 400	1 485 400	100.54	100.50
Remuneration of Councillors	12 783 834	(541 128)	12 242 706	12 242 706	12 202 166	(40 540)	99.67	95.45
Depreciation and Amortisation	75 357 136	-	75 357 136	75 357 136	75 855 819	498 683	100.66	100.66
Impairment Losses	41 429 000	(5 279 263)	36 149 737	36 149 737	45 764 042	9 614 305	126.60	110.46
Interest, Dividends and Rent on Land	3 020 625	1	3 020 626	3 020 627	6 637 780	3 617 153	219.75	219.75
Bulk Purchases	241 475 644	(4 000 000)	237 475 644	237 475 644	234 527 407	(2 948 237)	98.76	97.12
Contracted Services	45 111 000	22 985 000	68 096 000	68 096 000	62 693 690	(5 402 310)	92.07	138.98
Inventory Consumed	28 458 000	(942 000)	27 516 000	27 516 000	27 381 399	(134 601)	99.51	96.22
Transfers and Subsidies Paid	-	-	-	-	-	-	0.00	0.00
Operating Leases	6 919 365	4 234 875	11 154 240	11 154 240	9 510 378	(1 643 862)	85.26	137.45
Operational Costs	69 426 635	6 648 125	76 074 760	76 074 760	71 487 261	(4 587 499)	93.97	102.97
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	750 454	750 454	0.00	0.00
Total Expenditure	796 783 745	22 976 105	819 759 850	819 759 851	820 968 796	1 208 945	100.15	103.04
Surplus/(Deficit for the Year	**(3 240 179)**	**136 732 758**	**133 492 579**	**133 492 578**	**59 138 891**	**(74 353 687)**	**44.30**	**-**

Financial Position: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Fines, Penalties and Forfeits:

Fines mostly relate to the traffic fines and arise from unanticipated traffic enfringements.

Licences and Permits:

Licences and Permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations. The licences and Permits revenue recognised is higher than anticipated.

Transfers and Subsidies:

Transfers and Subsidies recognised are lower than the budgeted amount, due to the underspending of the Water Services Infrastructure Grant.

Interest, Dividends and Rent on Land Earned: Non-Exchange

This relates to the interest earned on the outstanding Property Rates Accounts. The interest realised is lower than anticipated.

Licences and Permits:

It was over-budgeted for Licences and Permits - negligible amount.

Sales of Goods and Rendering of Services:

Sales of Goods and Rendering of Services actuals are higher than anticipated due to unbudgeted camping fees.

Rental from Fixed Assets:

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue recognised is lower than anticipated.

Interest, Dividends and Rent on Land Earned: Exchange Transactions

The interests on the Bank and Investments were sightly higher than anticipated. This was influenced by the extent of the municipality's investment portfolio.

Operational Revenue:

The variance is due to the recognition of discount received on the Nelson Mandela Bay Municipality bulk water account.

Impairment Losses:

The variance is due to traffic fines bad debt provision not budgeted for.

Interest, Dividends and Rent on Land:

The variance is due to interest charged on Overdue Creditors, Finance Lease and Landfill sites provision not budgeted for.

Operating leases:

The operating leases are sightly over budgeted.

Loss on Disposal of Property, Plant and Equipment:

Loss on disposal of PPE was budgeted for under Gains on disposal of PPE.

RECONCILIATION OF BUDGETED CAPITAL EXPENDITURE WITH THE CAPITAL EXPENDITURE PER STANDARD CLASSIFICATION:

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
CAPITAL EXPENDITURE BY VOTE								
Vote 1 - Executive & Council	985 000	865 565	1 850 565	1 850 565	1 398 761	(451 804)	75.59	142.01
Vote 2 - Financial Services	1 506 900	1 086 552	2 593 452	2 593 452	1 322 564	(1 270 888)	51.00	87.77
Vote 3 - Corporate Services	2 309 000	1 056 067	3 365 067	3 365 067	2 628 616	(736 451)	78.11	113.84
Vote 4 - Planning, Development and Tourism	4 210 951	(1 574 949)	2 636 002	2 636 002	336 348	(2 299 654)	12.76	7.99
Vote 5 - Infrastructure and Engineering	46 544 610	138 084 740	184 629 350	184 629 350	83 574 714	(101 054 636)	45.27	179.56
Vote 6 - Community Services	12 188 362	2 252 178	14 440 540	14 440 540	4 166 035	(10 274 505)	28.85	34.18
Total Capital Expenditure	**67 744 823**	**141 770 153**	**209 514 976**	**209 514 976**	**93 427 038**	**(116 087 938)**	**44.59**	**137.91**

Capital Expendirure by Vote: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items for Capital Expenditure by Vote are explained below:

Vote 1 - Executive & Council

Projects relate to Ward Capital Programmes, with the budget rolled over to 2019/20 for implementation of the projects. The budget rollover was approved by Council on 15 August 2019

Vote 2 - Financial Services

Projects relate to Vehicle, Dot Matrix Printer, Disaster Recover Server and the upgrade of ICT building, with the budget rolled over to 2019/20 for implementation of the projects. The budget rollovers were approved by Council on 15 August 2019.

Vote 3 - Corporate Services

Projects relate to Electronic Document Management System, Biometric System, Furniture and Equipment, Computer Equiment and fencing of the main building, with the budget rolled over to 2019/20 for implementation of the projects. The budget rollovers were approved by Council on 15 August 2019.

Vote 4 - Planning, Development and Tourism

The underspending of Planning, Development and Tourism Capital budget was due to Land acquisition not yet recognised until the land is transferred to the Municipality.

Vote 5 - Infrastructure and Engineering

The underspending of Infrastructure and Engineering Capital budget was due to underspending transfer of the Water Services Infrastructure Grant.

Vote 6 - Community Services

Projects ralete to Vehicles, Life Guards Beach Tower, Furniture and Equipment, Hydraulics Rescue Equipment and Machinery and Equipment, with the budget rolled over to 2019/20 for implementation of the projects. The budget rollovers were approved by Council on 15 August 2019.

RECONCILIATION OF BUDGETED CASH FLOW WITH THE CASH FLOW STATEMENT:

Description	Original Budget	Budget Adjustments	Adjustment Budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	R	R	R	R	R	R	R	R
CASH FLOW								
Cash Flows from/(used in) Operating Activities								
Property Rates	164 392 598	9 235 525	173 628 122	173 628 122	181 926 552	8 298 429	104.78	110.67
Transfers and Subsidies	163 444 986	151 328 099	314 773 086	314 773 086	313 403 865	(1 369 220)	99.57	191.75
Service Charges	372 089 679	13 617 561	385 707 241	385 707 241	375 024 303	(10 682 938)	97.23	100.79
External Interest and Dividends Received	21 497 898	(5 819 512)	15 678 387	15 678 387	11 946 693	(3 731 694)	76.20	55.57
Other Receipts	30 689 009	(3 372 331)	27 316 678	27 316 678	37 942 178	10 625 500	138.90	123.63
Employee Related Costs	(275 037 921)	-	(275 037 921)	(275 037 921)	(271 908 268)	3 129 653	98.86	98.86
Remuneration of Councillors	(12 118 501)	-	(12 118 501)	(12 118 501)	(12 202 166)	(83 665)	100.69	100.69
External Interest and Dividends Paid	(3 020 625)	-	(3 020 625)	(3 020 625)	(3 443 107)	(422 482)	113.99	113.99
Suppliers Paid	(68 135 726)	-	(68 135 726)	(68 135 726)	(310 518 346)	(242 382 620)	455.73	455.73
Other Payments	(318 978 243)	(30 961 609)	(349 939 852)	(349 939 852)	(76 114 244)	273 825 608	21.75	23.86
VAT Receivable / Payable	-	-	-	-	(24 082 421)	(24 082 421)	0.00	0.00
Cash Flows from/(used in) Investing Activities								
Purchase of Property, Plant and Equipment	(67 744 823)	(141 770 156)	(209 514 980)	(209 514 980)	(94 313 177)	115 201 803	45.02	139.22
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-	(628 537)	(628 537)	0.00	0.00
Decrease / (Increase) in Long-term Receivables	-	-	-	-	3 000	3 000	0.00	0.00
Cash Flows from/(used in) Financing Activities								
Repayment of Borrowings	(13 246 996)	4 302 961	(8 944 035)	(8 944 035)	(7 123 483)	1 820 552	79.65	53.77
Cash and Cash Equivalents at End of the Year	**(6 168 664)**	**(3 439 462)**	**(9 608 126)**	**(9 608 126)**	**119 912 842**	**129 520 968**	**0.00**	**0.00**
Cash and Cash Equivalents at Beginning of Period	59 729 452	34 585 693	94 315 145	94 315 145	94 315 125	(20)		
Cash and Cash Equivalents at End of Period	53 560 788	31 146 231	84 707 019	84 707 019	214 227 967	129 520 948		

Cash Flow: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Cash Flow Statement are explained below:

External Interest and Dividends Received:

Interest on Service Charges was lower than anticipated, due to improved collection rate.

Other Receipts:

Other Receipts mostly relate to unallocated deposits for Service Charges Revenue.

External Interest and Dividends Paid:

The variance is due to interest charged on Overdue Creditors and Interest on Finance Lease was not budgeted for.

VAT Payable:

The variance is due to V.A.T Payable not budgeted for.

Purchase of Property, Plant and Equipment:

The underspending of projects relate to various Capital Programmes , with the budget rollover to 2019/20 for implementation of the projects. The budget rollover was approved by Council on 15 August 2019. This is also influenced by the underspending of the Water Services Infrastructure Grant.

Proceeds on Disposal of Property, Plant and Equipment:

Proceeds on Disposal of Property, Plant and Equipment was not budgeted for.

Decrease / (Increase) in Long-term Receivables:

No budget provision made for Long-term Receivables.

Loans repaid:

Repayment of borrowings were lower than anticipated.

Cash and Cash Equivalents at End of the Year:

All above-mentioned items are reflecting in Cash and Cash Equivalents at End of the Year.

RECONCILIATION OF BUDGET SURPLUS/(DEFICIT) WITH THE SURPLUS/(DEFICIT) IN THE STATEMENT OF FINANCIAL PERFORMANCE:

Description	2018/19		2017/18
	R		R
Net surplus/(deficit) per the statement of financial performance	**59 138 891**		**2 406 899**
Revenue from Non-exchange Transactions			
Property Rates	379 461		(54 803)
Fines, Penalties and Forfeits	(17 103 832)		(30 870 029)
Licences and Permits	(4 832 573)		(3 547 988)
Transfers and Subsidies	97 873 261		2 476 227
Surcharges and Taxes	-		-
Interest, Dividends and Rent on Land Earned	84 483		2 374 064
Revenue from Exchange Transactions			
Licences and Permits	3 553 425		2 277 011
Service Charges	(2 954 091)		9 741 544
Sales of Goods and Rendering of Services	(1 545 908)		(292 476)
Rental from Fixed Assets	2 434 264		1 159 943
Interest, Dividends and Rent on Land Earned	(4 194 132)		(1 565 851)
Operational Revenue	(549 618)		537 824
Expenditure			
Employee Related Costs	1 485 400		(3 267 474)
Remuneration of Councillors	(40 540)		(44 735)
Depreciation and Amortisation	498 683		(10 112 349)
Impairment Losses	9 614 305		11 481 935
Finance Costs	3 617 153		5 476 935
Bulk Purchases	(2 948 237)		(8 034 921)
Contracted Services	(5 402 310)		(7 478 738)
Inventory Consumed	(134 601)		(6 810 379)
Grants and Subsidies Paid	-		342 740
Operating Leases	(1 643 862)		(806 226)
Operational Costs	(4 587 499)		2 284 485
Loss on Disposal of Property, Plant and Equipment	750 454		1 591 775
Net surplus/(deficit) per approved budget	**133 492 578**		**(30 734 587)**

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an Accrual Basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The municipality implemented the Municipal Standard Chart of Accounts (mSCOA) during the year ended 30 June 2018 as required in terms of the Municipal Regulations on the Standard Chart of Accounts, announced in Government Gazette No 37577 of 22 April 2014, in accordance with section 168 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) and through directives and guidelines from National Treasury.

1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.2 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 30 June 2018 and 30 June 2019 the municipality has adopted the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

With the adoption of mSCOA the municipality reclassified certain balances in order to comply with the instruction notes issued. The result of the reclassification is set out below and in the relevant Notes to the Annual Financial Statements.

1.3 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality’s Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.3.1 Revenue Recognition

Accounting Policy 8.2 on Revenue from Exchange Transactions and Accounting Policy 8.3 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (*Revenue from Exchange Transactions*) and GRAP 23 (*Revenue from Non-exchange Transactions*). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.3.2 Impairment of Financial Assets

Accounting Policy 6.4 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

- Impairment of Trade Receivables:
  The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

1.3.3 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 2.3, 3.2 and 4.2, the municipality depreciates its Property, Plant & Equipment and Investment Property, and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

1.3.4 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 5 on Impairment of Assets, Accounting Policy 3.2 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment and Accounting Policy 7.2 on Inventory – Subsequent Measurement describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment, impairment testing of Intangible Assets and write-down of Inventories to the lowest of Cost and Net Realisable Value or Current Replacement Cost.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

Estimated impairments during the year to Inventory, Property, Plant and Equipment, and Intangible Assets are disclosed in Notes 2, 9 and 10 to the Annual Financial Statements, if applicable.

1.3.5 Water Inventory

The estimation of the Water Inventory in reservoirs is based on the measurement of water via electronic level sensors, which determines the depth of water in the reservoirs, which is then converted into volumes based on the total capacity of the reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end. Refer to Accounting Policy 7.2.2

1.3.6 Defined Benefit Plan Liabilities

As described in Accounting Policy 10.2, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

1.3.7 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.3.8 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.4 Going Concern Assumption

The Annual Financial Statements have been prepared on a *Going Concern Assumption* .

1.5 Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 18 — Segment Reporting
- GRAP 20 — Related Party Disclosures
- GRAP 32 — Service Concession Arrangement Grantor
- GRAP 108 — Statutory Receivables
- GRAP 109 — Accounting by Principals and Agents
- IGRAP 17 — Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

The municipality applied the principles established in the following Standards of GRAP that have been issued but are not yet effective, in developing appropriate disclosure:

- GRAP 20 — Related Party Disclosures

Management has considered all of the above-mentioned GRAP Standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality, except for:

- GRAP 108 — Statutory Receivables:-
  It is expected that the Standard will affect the valuation of Receivables from Non-Echange Transactions, but the extent cannot be determined at this stage.
- GRAP 109 — Accounting by Principals and Agents:-
  The effect of this Standard on accounting for transactions between the municpality, another function of government or private sector and third parties, can only be determined once it becomes effective.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

2.2 Subsequent Measurement

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

2.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the *Straight-line Method*, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation rates are based on the following estimated useful lives:

	Asset Class	Years		Asset Class	Years
	Buildings			**Community**	
	Improvements	5 - 50		Community Facilities	5 - 50
				Recreational Facilities	10 - 40
	Infrastructure				
	Electricity	10 - 80		**Other**	
	Railways	30		Computer Equipment	3 - 10
	Roads and Paving	5 - 80		Emergency Equipment	5 - 10
	Sanitation	5 - 80		Furniture and Fittings	5 - 15
	Sewerage / Solid Waste	5 - 80		Motor Vehicles	7 - 15
	Water	5 - 80		Office Equipment	3 - 15
	Landfill Sites	30 - 50		Plant and Equipment	2 - 20
				Other Assets	5 - 15

2.4 Land

Land is stated at historical cost and is not depreciated as it is deemed to have an indefinite useful life.

2.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

2.6 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as Property, Plant and Equipment controlled by the municipality or, where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

2.7 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

2.8 Infrastructure Assets

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

3. INTANGIBLE ASSETS

3.1 Initial Recognition

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

Intangible Assets are initially recognised at cost.

Where an Intangible Asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

3.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a *Straight-line Method* over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

The amortisation rates are based on the following estimated useful lives:

	Asset Class	Years
	Computer Software Purchased	3 - 5

3.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

4. INVESTMENT PROPERTY

4.1 Initial Recognition

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

4.2 Subsequent Measurement

Investment Property is measured using the *Cost Model* and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the *Straight-line Method* over the useful life of the property, which is estimated at 5 - 50 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

4.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

5. IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as *Cash Generating Assets*. All other assets are classified as *Non-cash Generating Assets*.

5.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

5.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

6. FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as *Financial Assets*, *Financial Liabilities* or *Residual Interests* in accordance with the substance of the contractual agreement.

Initial Recognition
Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Methods and Assumptions
The fair values of Financial Instruments are determined as follows:

- The fair values of quoted investments are based on current bid prices.
- If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

6.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Long-term Receivables	Financial Assets at Amortised Cost
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Investment Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value
Current Portion of Long-term Receivables	Financial Assets at Amortised Cost

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

6.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Long-term Liabilities	Financial Liabilities at Amortised Cost
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Payables from Non-exchange Transactions	Financial Liabilities at Amortised Cost
Current Portion of Long-term Liabilities	Financial Liabilities at Amortised Cost

6.3 Initial and Subsequent Measurement

6.3.1 Financial Assets:

Financial Assets measured at Amortised Cost
Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the *Effective Interest Method* less any impairment, with interest recognised on an *Effective Yield Basis*.

Financial Assets measured at Fair Value
Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

6.3.2 Financial Liabilities:

Financial Liabilities held at Amortised Cost
Any other Financial Liabilities are classified as *Other Financial Liabilities* (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the *Effective Interest Rate Method*. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Bank Borrowings, consisting of interest-bearing short-term bank loans, repayable on demand and overdrafts are recorded at the proceeds received. Finance costs are accounted for using the *Accrual Basis* and are added to the carrying amount of the bank borrowing to the extent that they are not settled in the period that they arise.

Prepayments are carried at cost less any accumulated impairment losses.

6.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

6.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable for the following reasons:

- It is management's judgement that the accounts are not "lost events" in terms of GRAP 104.58.
- State Departments and Entities have to pay their creditors within 30 days in terms of the PFMA.
- Interest is charged on all oustanding balances at a rate of the banker's prime rate plus 1%.
- There is an urge from National Treasury that State Departments and Entities should start paying their outstanding debt.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

6.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

6.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

7. INVENTORIES

7.1 Initial Recognition

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where Inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

7.2 Subsequent Measurement

7.2.1 Consumable Stores

Inventories sold are valued at the lower of cost and net realisable value (net amount that the municipality expects to realise from the sale on Inventory in the ordinary course of business). The cost is determined using the *weighted average Method*.

Consumable stores distributed at no charge or for a nominal charge and finished goods are valued at the lower of cost and current replacement cost (the cost the municipality would incur to acquire the asset on the reporting date). The cost is determined using the *weighted average Method*.

7.2.2 Water Inventory

Water is regarded as Inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the Inventory to its present location and condition, net of trade discounts and rebates.

Water and purified effluent are valued by using the *FIFO Method*, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

8. REVENUE RECOGNITION

8.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

8.2 Revenue from Exchange Transactions

8.2.1 Service Charges

Service Charges are levied in terms of approved tariffs.

Service Charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

Service charges relating to sewerage and sanitation are recognised on a monthly basis in arrears by applying the approved tariff to all properties. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

8.2.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

8.2.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

8.2.4 Interest Earned

Interest earned on investments is recognised in Surplus or Deficit on the *Time-proportionate Basis* that takes into account the effective yield on the investment.

8.2.5 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

8.2.6 Revenue from Agency Services

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

8.2.7 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

(a) The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
(c) The amount of revenue can be measured reliably;
(d) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
(e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

8.3 Revenue from Non-exchange Transactions

8.3.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a *Time-proportionate Basis* with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

8.3.2 Fines

Fines constitute both spot fines and summonses

Revenue for fines is recognised when the fine is issued at the full amount of the receivable. The municipality uses estimates to determine the amount of revenue that the municipality is entitled to collect that is subject to further legal proceedings.

8.3.3 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

9.3.2 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

8.3.4 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

8.3.5 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

9. PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

9.1 Provision for Environmental Rehabilitation

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

10. EMPLOYEE BENEFIT LIABILITIES

10.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

10.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

10.2.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

10.2.2 Defined Benefit Plans

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the *Projected Unit Credit Method*, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The *Projected Unit Credit Method* is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans

The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the *Projected Unit Credit Method*. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

11. LEASES

11.1 The Municipality as Lessee

11.1.1 Finance Leases

Property, plant and equipment or intangible assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are recognised at equal amounts. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments to the fair value of the asset, plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the *Effective Interest Rate Method*. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

11.1.2 Operating Leases

The municipality recognises operating lease rentals as an expense in Surplus or Deficit on a *Straight-line Basis* over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. Any lease incentives are included as part of the net consideration agreed.

11.2 The Municipality as Lessor

Amounts due from lessees under **Finance Leases** or instalment sale agreements are recorded as receivables at the amount of the municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental revenue from **Operating Leases** is recognised on a *Straight-line Basis* over the term of the relevant lease.

12. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

(a) Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
(b) Expect to be repaid in future; or
(c) Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

13. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

14. UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

15. IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998), or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

17. MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing Municipalities and Municipal Entities.

Due to their significance, the complete calculation of water and electricity losses is provided, including the opening balance, purchases, sales and closing balance where applicable. The unit rate is the rate per the last purchase as inventory is measured based on the F*irst-In-First-Out Method* as defined by GRAP 12 (*Inventories*).

18. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

19. COMMITMENTS

Commitments are future expenditure to which the municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in Surplus or Deficit, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

20. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the Councillors, Mayor, Executive Committee Members, Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

21. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

22. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2018 to 30 June 2019.

23. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy.

In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in notes to the Annual Financial Statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
Refer to Note 42 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

	2019	2018
	R	R

1. GENERAL INFORMATION

Kouga Municipality is a local government institution in Jeffreys Bay, Eastern Cape, and is one of seven local municipalities under the jurisdiction of the Sarah Baartman District Municipality. The address of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Municipal Finance Management Act (MFMA).

2. INVENTORIES

	2019 R	2018 R
Materials and Supplies	8 612 231	6 096 259
Water - at cost	637 127	549 039
Total Inventories	**9 249 357**	**6 666 181**

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

The cost of Inventories recognised as an expense during the period was R27,381,399 (2018: R20,594,170).

No Inventories have been pledged as collateral for Liabilities of the municipality.

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2019			
Service Debtors:	159 715 605	111 436 400	48 279 205
Electricity	41 593 571	9 158 760	32 434 811
Refuse	37 976 403	36 373 742	1 602 661
Sewerage	21 272 093	18 951 140	2 320 953
Other Service Charges	4 375 677	3 296 280	1 079 398
Water	54 497 861	43 656 479	10 841 381
Other Receivables	140 060	-	140 060
Prepayments and Advances	5 205 016	22 000	5 183 016
Recoveries from Staff	188 443	22 000	166 443
Annual Licence Fees	2 731 573	-	2 731 573
Deposits for Land	2 285 000		2 285 000
Control, Clearing and Interface Accounts	490 922	-	490 922
Total Receivables from Exchange Transactions	**165 551 604**	**111 458 400**	**54 093 203**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2018			
Service Debtors:	138 508 681	92 926 783	45 581 899
Electricity	30 664 656	9 333 292	21 331 364
Refuse	21 409 523	21 672 833	(263 311)
Sewerage	17 298 760	15 465 116	1 833 644
Other Service Charges	26 027 795	11 058 259	14 969 536
Water	43 107 946	35 397 282	7 710 665
Other Receivables	2 518	-	2 518
Prepayments and Advances	2 752 843	22 000	2 730 843
Recoveries from Staff	185 443	22 000	163 443
Annual Licence Fees	2 567 400	-	2 567 400
Deposits for Land			-
Control, Clearing and Interface Accounts	518 922	-	518 922
Total Receivables from Exchange Transactions	**141 782 964**	**92 948 783**	**48 834 181**

The municipality did not pledge any of its Receivables as security for borrowing purposes.

The fair value of Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and Receivables as well as the current payment ratios of the municipality's Receivables.

3.1 Ageing of Receivables from Exchange Transactions

As at 30 June 2019

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	14 364 309	13 139 589	2 279 686	11 809 987	41 593 571
Less: Provision for Impairment	925	96 589	54 392	9 006 855	9 158 760
Net Balances	**14 363 384**	**13 043 000**	**2 225 294**	**2 803 133**	**32 434 811**
Refuse:					
Gross Balances	234	3 903 507	1 611 247	32 461 414	37 976 403
Less: Provision for Impairment	2	5 372	880 215	35 488 152	36 373 742
Net Balances	**232**	**3 898 135**	**731 032**	**(3 026 737)**	**1 602 661**
Sewerage:					
Gross Balances	236	3 356 069	1 199 732	16 716 057	21 272 093
Less: Provision for Impairment	8	76 945	531 457	18 342 729	18 951 140
Net Balances	**227**	**3 279 124**	**668 275**	**(1 626 672)**	**2 320 953**
Other Service Charges:					
Gross Balances	81 101	20 667	109 282	4 164 628	4 375 677
Less: Provision for Impairment	40 550	7 215	52 696	3 195 818	3 296 279
Net Balances	**40 550**	**13 452**	**56 586**	**968 810**	**1 079 398**
Water:					
Gross Balances	1 988 539	5 277 651	2 441 130	44 790 541	54 497 861
Less: Provision for Impairment	166	144 153	1 114 465	42 397 696	43 656 480
Net Balances	**1 988 373**	**5 133 498**	**1 326 666**	**2 392 845**	**10 841 381**
Other Receivables:					
Gross Balances	140 060	-	-	-	140 060
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**140 060**	**-**	**-**	**-**	**140 060**
Prepayments and Advances:					
Gross Balances	5 205 016	-	-	-	5 205 016
Less: Provision for Impairment	22 000	-	-	-	22 000
Net Balances	**5 183 016**	**-**	**-**	**-**	**5 183 016**
Control, Clearing and Interface Accounts:					
Gross Balances	490 922	-	-	-	490 922
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**490 922**	**-**	**-**	**-**	**490 922**

As at 30 June 2019 Receivables of R54,093,203 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total Past Due
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	22 270 417	25 697 483	7 641 077	109 942 627	165 551 604
Less: Provision for Impairment	63 652	330 274	2 633 225	108 431 250	111 458 401
Net Balances	**22 206 765**	**25 367 208**	**5 007 853**	**1 511 377**	**54 093 203**

As at 30 June 2018

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	17 580 303	2 132 100	1 099 125	9 853 129	30 664 656
Less: Provision for Impairment	74 652	14 768	1 126 016	8 117 856	9 333 292
Net Balances	**17 505 651**	**2 117 333**	**(26 892)**	**1 735 273**	**21 331 364**
Refuse:					
Gross Balances	1 307 831	1 138 209	905 598	18 057 884	21 409 523
Less: Provision for Impairment	3 920	805 487	1 019 149	19 844 278	21 672 833
Net Balances	**1 303 911**	**332 723**	**(113 551)**	**(1 786 394)**	**(263 311)**
Sewerage:					
Gross Balances	2 206 837	960 755	792 258	13 338 910	17 298 760
Less: Provision for Impairment	59 284	532 947	865 934	14 006 951	15 465 116
Net Balances	**2 147 553**	**427 808**	**(73 675)**	**(668 042)**	**1 833 644**
Other Service Charges:					
Gross Balances	12 959 024	544 952	612 911	11 910 909	26 027 795
Less: Provision for Impairment	348 417	233 166	474 857	10 001 819	11 058 259
Net Balances	**12 610 607**	**311 786**	**138 054**	**1 909 089**	**14 969 536**
Water:					
Gross Balances	8 865 925	1 958 629	1 830 218	30 453 174	43 107 946
Less: Provision for Impairment	122 617	1 171 971	2 037 869	32 064 825	35 397 282
Net Balances	**8 743 308**	**786 658**	**(207 652)**	**(1 611 650)**	**7 710 665**
Other Receivables:					
Gross Balances	2 518	-	-	-	2 518
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**2 518**	**-**	**-**	**-**	**2 518**
Prepayments and Advances:					
Gross Balances	2 752 843	-	-	-	2 752 843
Less: Provision for Impairment	22 000	-	-	-	22 000
Net Balances	**2 730 843**	**-**	**-**	**-**	**2 730 843**
Control, Clearing and Interface Accounts:					
Gross Balances	518 922	-	-	-	518 922
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**518 922**	**-**	**-**	**-**	**518 922**

As at 30 June 2018 Receivables of R48,834,181 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total Past Due
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
All Receivables:					
Gross Balances	46 194 203	6 734 646	5 240 110	83 614 006	141 782 964
Less: Provision for Impairment	630 890	2 758 338	5 523 826	84 035 729	92 948 783
Net Balances	**45 563 313**	**3 976 308**	**(283 716)**	**(421 724)**	**48 834 181**

	2019 R	2018 R
3.2 Reconciliation of the Provision for Impairment		
Balance at beginning of year	92 948 783	81 975 108
Impairment Losses recognised	3 808 709	21 810 061
Impairment Losses reversed	14 700 908	(10 836 386)
Balance at end of year	**111 458 400**	**92 948 783**

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Consumer Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

3.3 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2019			
Property Rates	38 146 861	18 090 368	20 056 493
Fines	50 676 807	39 610 451	11 066 356
Total Receivables from Non-exchange Transactions	**88 823 668**	**57 700 819**	**31 122 849**

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2018			
Property Rates	35 843 253	16 017 170	19 826 082
Insurance Claims	(197 344)	-	(197 344)
Fines	34 620 208	29 000 102	5 620 106
Other Receivables	1 216 938	-	1 216 938
Total Receivables from Non-exchange Transactions	**71 483 054**	**45 017 273**	**26 465 782**

The municipality does not hold deposits or other security for its Receivables.

None of the Receivables have been pledged as security for the municipality's financial liabilities.

4.1 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2019

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Property Rates:					
Gross Balances	8 152 808	1 410 596	796 727	27 786 729	38 146 861
Less: Provision for Impairment	3 862 827	668 345	377 492	13 181 704	18 090 368
Net Balances	**4 289 982**	**742 251**	**419 235**	**14 605 025**	**20 056 493**
Fines:					
Gross Balances	50 676 807	-	-	-	50 676 807
Less: Provision for Impairment	39 610 451	-	-	-	39 610 451
Net Balances	**11 066 356**	**-**	**-**	**-**	**11 066 356**

As at 30 June 2019 Receivables of R31,122,849 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	58 829 615	1 410 596	796 727	27 786 729	88 823 668
Less: Provision for Impairment	43 473 278	668 345	377 492	13 181 704	57 700 819
Net Balances	**15 356 337**	**742 251**	**419 235**	**14 605 025**	**31 122 849**

As at 30 June 2018

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
Property Rates:					
Gross Balances	6 919 874	1 323 652	712 068	26 887 658	35 843 253
Less: Provision for Impairment	3 037 176	594 017	319 556	12 066 421	16 017 170
Net Balances	**3 882 699**	**729 634**	**392 512**	**14 821 237**	**19 826 082**
Insurance Claims:					
Gross Balances	(197 344)	-	-	-	(197 344)
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**(197 344)**	**-**	**-**	**-**	**(197 344)**
Fines:					
Gross Balances	34 620 208	-	-	-	34 620 208
Less: Provision for Impairment	29 000 102	-	-	-	29 000 102
Net Balances	**5 620 106**	**-**	**-**	**-**	**5 620 106**
LGSETA Interns:					
Gross Balances	1 216 938	-	-	-	1 216 938
Less: Provision for Impairment	-	-	-	-	-
Net Balances	**1 216 938**	**-**	**-**	**-**	**1 216 938**

As at 30 June 2018 Receivables of R26,465,782 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	0 - 30 days	*31 - 60 Days*	*61 - 90 Days*	*+ 90 Days*	
All Receivables:					
Gross Balances	42 559 676	1 323 652	712 068	26 887 658	71 483 054
Less: Provision for Impairment	32 037 278	594 017	319 556	12 066 421	45 017 273
Net Balances	**10 522 398**	**729 634**	**392 512**	**14 821 237**	**26 465 782**

4.2 Reconciliation of Provision for Impairment

	2019 R	2018 R
Balance at beginning of year	47 090 470	29 260 982
Impairment Losses recognised	10 610 349	15 752 366
Impairment Losses reversed	-	3 925
		-
Balance at end of year	**57 700 819**	**45 017 273**

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.
No Provision for Impairment has been made in respect of government debt as these amounts are considered to be fully recoverable. The municipality holds collateral over these balances in the form of Rates Assessment Deposits / Guarantees, which are not covering the total outstanding debt and vacant property respectively.

5. VAT RECEIVABLE

Vat Receivable	**46 795 893**	**22 713 472**

Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.
Furthermore, Vat is claimable on the payment basis.
No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. .

6. CASH AND CASH EQUIVALENTS

	2019 R	2018 R
Current Investments	200 626 600	90 054 858
Bank Accounts	13 600 946	4 259 846
Cash and Cash Equivalents	421	421
Total Bank, Cash and Cash Equivalents	**214 227 967**	**94 315 125**

For the purposes of the Statement of Financial Position and the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

6.1 Current Investment Deposits

Call Deposits	200 626 600	90 054 858
Total Current Investment Deposits	**200 626 600**	**90 054 858**

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 5.00 % to 10.00 % (2018: 5.00 % to 10.00 %) per annum.

Deposits attributable to Unspent Conditional Grants	103 445 548	6 941 508
Deposits: General investments	97 181 052	83 113 350
Total Deposits attributable to Commitments of the Municipality	**200 626 600**	**90 054 858**

6.2 Bank Accounts

Cash in Bank	13 600 946	4 259 846
Total Bank Accounts	**13 600 946**	**4 259 846**

The Municipality has the following bank accounts:

Primary Bank Account

Cash book balance at beginning of year	4 259 846	5 694 930
Cash book balance at end of year	13 600 946	4 259 846
First National Bank - Jeffreys bay Branch-Account Number: 52540020791		
Bank statement balance at beginning of year	524 889	783 359
Bank statement balance at end of year	11 217 561	524 889
First National Bank - Jeffreys bay Branch-Account Number: 52540033304		
Bank statement balance at beginning of year	3 734 959	4 648 585
Bank statement balance at end of year	2 383 385	3 734 959

The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

6.3 Cash and Cash Equivalents

Cash Floats and Advances	421	421
Total Cash on hand in Cash Floats, Advances and Equivalents	**421**	**421**

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

	2019	2018
	R	R

7. OPERATING LEASE RECEIVABLES

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

Balance at beginning of year	269 124	281 727
Operating Lease - Straightlining	(34 759)	(12 603)
Total Operating Lease Receivables	**234 365**	**269 124**

7.1 Leasing Arrangements

The Municipality as Lessor:
Operating Leases relate to Property owned by the municipality with lease terms of between 1 to 99 years, with an option to extend.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

7.2 Amounts receivable under Operating Leases

At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	360 075	368 756
2 to 5 years	1 311 975	1 225 014
More than 5 years	-	148 262
Total Operating Lease Arrangements	**1 672 050**	**1 742 032**

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been an increase of R34,759 (2018: decrease of R12,603) in current year income.

8. CURRENT PORTION OF LONG-TERM RECEIVABLES

Staff Related Long Term Receivables	3 000	3 000
Total Current Portion of Long-term Receivables	**3 000**	**3 000**

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2019

Reconciliation of Carrying Value

Description	Land	Buildings	Infrastructure	Land-Fill Sites	Community	Other	Transport Assets	Leased Assets	Total
	R	R			R	R	R	R	R
Carrying values at 01 July 2018	**239 770 877**	**50 643 734**	**1 643 826 864**	**18 923 663**	**22 456 565**	**9 857 862**	**13 886 707**	**1 897 577**	**2 001 263 850**
Cost	239 770 877	51 894 187	2 166 324 886	43 024 031	24 044 983	30 419 333	42 332 242	4 687 823	2 602 498 362
- Completed Assets	239 770 877	51 894 187	2 133 676 999	43 024 031	18 231 956	29 831 717	42 332 242	4 687 823	2 563 449 832
- Under Construction	-	-	32 647 887	-	5 813 027	587 615	-	-	39 048 530
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	(1 587 000)	(392 222)	(574 955)	-	(2 554 177)
Accumulated Depreciation:	-	(1 250 453)	(522 498 021)	(24 100 368)	(1 418)	(20 169 248)	(27 870 581)	(2 790 245)	(598 680 335)
- Cost	-	(1 250 453)	(522 498 021)	(24 100 368)	(1 418)	(20 169 248)	(27 870 581)	(2 790 245)	(598 680 335)
- Revaluation	-	-	-	-	-	-	-	-	-
Acquisition of Assets									
- Cost	-	(476 443)	196 083	-	-	5 865 236	5 513 711	480 038	11 578 624
- Capital Under Construction	-	-	82 734 553	-	-	-	-	-	82 734 553
- Revaluation	-	-	-	-	-	-	-	-	-
Decommisioning and other Liabilities	-	-	-	(60 260)	-	-	-	-	(60 260)
Increases/Decreases in Revaluation	-	-	-	-	-	-	-	-	-
Depreciation:	-	(552 769)	(65 167 426)	(2 854 033)	(11 249)	(3 024 327)	(3 685 074)	(423 868)	(75 718 745)
- Based on Cost	-	(552 769)	(65 167 426)	(2 854 033)	(11 249)	(3 024 327)	(3 685 074)	(423 868)	(75 718 745)
- Based on Revaluation	-	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	(29 491)	-	-	(64 445)	(27 981)	-	(121 916)
- Cost	-	-	(43 545)	-	-	(163 183)	(177 426)	-	(384 154)
- Accumulated Depreciation	-	-	14 054	-	-	98 738	149 446	-	262 238
Impairment Losses	-	(879 000)	-	-	-	-	-	-	(879 000)
Capital under Construction - Completed	-	-	(22 565 974)	-	-	-	-	-	(22 565 974)
Other Movements	-	2 188 163	20 377 811	-	-	-	-	-	22 565 974
- Cost	-	2 188 163	20 377 811	-	-	-	-	-	22 565 974
Carrying values at 30 June 2019	**239 770 877**	**50 923 685**	**1 659 372 420**	**16 009 370**	**22 445 317**	**12 634 326**	**15 687 363**	**1 953 747**	**2 018 797 106**
Cost	239 770 877	53 605 907	2 247 023 813	42 963 772	24 044 983	36 121 386	47 668 527	5 167 861	2 696 367 125
- Completed Assets	239 770 877	53 605 907	2 154 207 348	42 963 772	18 231 956	35 533 770	47 668 527	5 167 861	2 597 150 017
- Under Construction	-	-	92 816 465	-	5 813 027	587 615	-	-	99 217 108
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	(879 000)	-	-	(1 587 000)	(392 222)	(574 955)	-	(3 433 177)
Accumulated Depreciation:	-	(1 803 223)	(587 651 394)	(26 954 401)	(12 666)	(23 094 837)	(31 406 209)	(3 214 113)	(674 136 842)
- Cost	-	(1 803 223)	(587 651 394)	(26 954 401)	(12 666)	(23 094 837)	(31 406 209)	(3 214 113)	(674 136 842)
- Revaluation	-	-	-	-	-	-	-	-	-

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2018

Reconciliation of Carrying Value

Description	Land	Buildings	Infrastructure	Land-Fill Sites	Community	Other	Transport Assets	Leased Assets	Total
	R	R			R	R	R	R	R
Carrying values at 01 July 2017	**237 312 877**	**51 196 504**	**1 677 578 382**	**22 950 734**	**17 894 500**	**6 297 951**	**10 059 260**	**4 603 826**	**2 027 894 034**
Cost	237 312 877	51 894 187	2 137 900 489	43 008 767	17 894 500	25 212 554	35 800 999	8 035 195	2 557 059 569
- *Completed Assets*	*237 312 877*	*51 894 187*	*2 062 059 447*	*43 008 767*	*17 894 500*	*25 212 554*	*35 800 999*	*8 035 195*	*2 481 218 527*
- *Under Construction*	-	-	*75 841 042*		-	-	-	-	*75 841 042*
Accumulated Impairment Losses	-	-	-		-	(392 222)	(574 955)	-	(967 177)
Accumulated Depreciation:	-	(697 684)	(460 322 107)	(20 058 033)	-	(18 522 380)	(25 166 785)	(3 431 369)	(528 198 358)
- *Cost*	-	*(697 684)*	*(460 322 107)*	*(20 058 033)*	-	*(18 522 380)*	*(25 166 785)*	*(3 431 369)*	*(528 198 358)*
- *Revaluation*	-	-	-		-	-	-	-	-
Decommissioning and other Liabilities	-	-	-	15 264	-	-	-	-	15 264
Acquisition of Assets									
- Cost	2 458 000	-	5 231 885	-	337 456	4 936 238	6 953 059	-	19 916 637
- Capital Under Construction	-	-	29 047 570	-	6 150 483	587 615	-	-	35 785 668
- Revaluation	-	-	-	-	-	-	-	-	-
Increases/Decreases in Revaluation	-	-	-	-	-	-	-	-	-
Depreciation:	-	(552 769)	(62 379 627)	(4 042 335)	(1 418)	(1 903 511)	(2 973 233)	(1 608 542)	(73 461 435)
- *Based on Cost*	-	*(552 769)*	*(62 379 627)*	*(4 042 335)*	*(1 418)*	*(1 903 511)*	*(2 973 233)*	*(1 608 542)*	*(73 461 435)*
- *Based on Revaluation*	-	-	-	-	-	-	-	-	-
Carrying value of Disposals:	-	-	(419 460)	-	-	(60 431)	(152 380)	(1 097 706)	(1 729 976)
- Cost	-	-	(623 172)	-	-	(317 074)	(421 816)	(3 347 372)	(4 709 434)
- Accumulated Depreciation	-	-	203 713	-	-	256 643	269 436	2 249 666	2 979 458
Impairment Losses	-	-	-	-	(1 587 000)	-	-	-	(1 587 000)
Capital under Construction - Completed	-	-	(72 240 725)	-	(337 456)	-	-	-	(72 578 180)
Other Movements	-	-	67 008 839	-	-	-	-	-	67 008 839
- Cost	-	-	67 008 839	-	-	-	-	-	67 008 839
Carrying values at 30 June 2018	**239 770 877**	**50 643 734**	**1 643 826 864**	**18 923 663**	**22 456 565**	**9 857 862**	**13 886 707**	**1 897 577**	**2 001 263 850**
Cost	239 770 877	51 894 187	2 166 324 886	43 024 031	24 044 983	30 419 333	42 332 242	4 687 823	2 602 498 362
- *Completed Assets*	*239 770 877*	*51 894 187*	*2 133 676 999*	*43 024 031*	*18 231 956*	*29 831 717*	*42 332 242*	*4 687 823*	*2 563 449 832*
- *Under Construction*	-	-	*32 647 887*	-	*5 813 027*	*587 615*	-	-	*39 048 530*
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	-	(1 587 000)	(392 222)	(574 955)	-	(2 554 177)
Accumulated Depreciation:	-	(1 250 453)	(522 498 021)	(24 100 368)	(1 418)	(20 169 248)	(27 870 581)	(2 790 245)	(598 680 335)
- *Cost*	-	*(1 250 453)*	*(522 498 021)*	*(24 100 368)*	*(1 418)*	*(20 169 248)*	*(27 870 581)*	*(2 790 245)*	*(598 680 335)*
- *Revaluation*	-	-	-	-	-	-	-	-	-

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

9.1 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

9.2 Carrying Amount of Property, Plant and Equipment retired from active use and not classified as a Discontinued Operation

No Property, Plant and Equipment were retired from active use and not classified as a Discontinued Operation during the financial year.

9.3 Assets pledged as security

The municipality did not pledge any of its assets as security.

9.4 Impairment of Property, Plant and Equipment

Impairment Losses on Property, Plant and Equipment to the amount of R0 (2018: R-1,587,000) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 33.

9.5 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There were no changes in the estimated useful lives of assets of the municipality for the financial year.

9.6 Land and Buildings carried at Fair Value

The municipality's Land and Buildings are accounted for according to the cost model and therefore no fair value has been determined.

9.7 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

9.8 Compensation received for Losses

Compensation, included in Operating Surplus, was received from the municipality's insurers for Property, Plant and Equipment lost during the year:

	2019 R	2018 R
Compensation received from insurers	162 375	751 380
Carrying value of lost assets	(121 916)	(632 170)
Surplus / (Deficit) on Compensation received for Lost PPE	**40 459**	**119 209**

	2019 R	2018 R

9.9 Expenditure incurred to repair and maintain

The following specific costs included in the amount of repairs and maintenance were incurred by municipality during the reporting period:

	2019 R	2018 R
Capital Spares	-	9 649
Electrical Infrastructure	5 941 124	6 030 364
Roads Infrastructure	16 031 616	4 749 701
Sanitation Infrastructure	3 249 016	2 567 132
Solid Waste Disposal	84 147	-
Storm water Infrastructure	773 977	1 421 018
Water Supply Infrastructure	3 043 705	2 554 147
Biological or Cultivated Assets	-	78 844
Community Assets	2 920 636	1 944 922
Machinery and Equipment	364 780	47 862
Other Assets - Buildings	5 169 718	1 037 424
Transport Assets	8 680 420	7 798 372
	46 259 139	**28 239 435**

10 INTANGIBLE ASSETS

	2019 R	2018 R
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	**243 850**	**301 768**

The movement in Intangible Assets is reconciled as follows:

	2019 R	2018 R
Carrying values at 01 July	**301 769**	**62 225**
Cost	575 905	190 905
Accumulated Amortisation	(274 136)	(128 680)
Acquisitions:	47 738	385 000
Purchased	47 738	-
Work-in-Progress	-	385 000
Amortisation:	(105 658)	(145 456)
Transfers:	-	-
At Cost	-	385 000
Work-in-Progress	-	(385 000)
Carrying values at 30 June	**243 850**	**301 769**
Cost	623 643	575 905
Accumulated Amortisation	(379 793)	(274 136)

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 32).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

10.1 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

10.2 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

10.3 Work-in-Progress

The municipality had no capital projects for Intangible Assets which were not completed at year-end.

10.4 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

11 INVESTMENT PROPERTY

	2019 R	2018 R
At Cost less Accumulated Depreciation	**242 551 944**	**242 551 944**
The movement in Investment Property is reconciled as follows:		
Carrying values at 1 July	**242 551 944**	**242 551 944**
Cost	242 551 944	242 551 944
Acquisitions during the Year	-	-
Carrying values at 30 June	**242 551 944**	**242 551 944**
Cost	242 551 944	242 551 944
Cost of Investment Property at 30 June	**242 551 944**	**242 551 944**

11.1 Investment Property carried at Fair Value

The municipality's Investment Properties are accounted for according to the cost model and therefore no fair value has been determined.

11.2 Work-in-Progress

The municipality had no capital projects for Investment Property which were not completed at year-end.

11.3 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

11.8 Expenditure incurred to repair and maintain

No expenditure was incurred in the current or prior period to Repair and Maintain Investment Property

12 LONG-TERM RECEIVABLES

	2019 R	2018 R
Staff Related Long Term Receivables	16 000	19 000
Total Long Term Receivables	16 000	19 000
Less: Current Portion transferred to Current Receivables:-	3 000	3 000
Finance Lease Receivable	-	-
Staff Related Long Term Receivables	3 000	3 000
Staff Related Long Term Receivables	13 000	16 000
Non-Current Potion of Long Term Receivables	**13 000**	**16 000**

No Long-term Receivables have been pledged as security for the municipality's financial liabilities.

The management of the municipality is of the opinion that the carrying value of Long-term Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values due to the effect of discounting at market related rate not material.

13 CONSUMER DEPOSITS

	2019 R	2018 R
Electricity	10 563 805	9 640 934
Water	1 728 648	1 557 171
Other Deposits	5 085 670	4 042 764
Total Consumer Deposits	**17 378 122**	**15 240 869**

Consumer Deposits - Electricity and Water
Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

Other Deposits
Other Deposits relates to deposits for Building Plans and rental properties

No interest is paid on Consumer Deposits held.

14 PROVISIONS

	2019 R	2018 R
Performance Bonus	2 296 662	1 220 196
Current Portion of Employee Benefit Liabilities (See Note 18):	5 510 644	5 086 000
Post-retirement Medical Aid Benefits Liability	2 982 243	3 083 000
Long-term Service Liability	2 528 401	2 003 000
Current Portion of Non-Current Provisions (See Note 19):	21 841 494	18 198 414
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	2 793 944	2 670 650
Decommissioning, Restoration and Similar Liabilities: Enviromental Clean-up	2 000 000	500 000
Ex-gratia Pension	21 048	61 000
Leave	17 026 502	14 966 764
Total Provisions	**29 648 800**	**24 504 611**

The movement in provisions is reconciled as follows:

Current Provisions:

Performance Bonus:

	2019 R	2018 R
Opening Balance	1 220 196	898 174
Increases	1 076 466	322 022
Balance at end of year	**2 296 662**	**1 220 196**

Performance Bonuses accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

	Medical Aid	Long-term Service
	R	R
30 June 2019		
Opening Balance	3 083 000	2 003 000
Current service cost	2 982 243	2 528 401
Actuarial loss/ (gain) recognised in the year	-	(2 003 000)
Balance at end of year	**2 982 243**	**2 528 401**

	Medical Aid	Long-term Service
	R	R
30 June 2018		
Opening Balance	2 776 000	1 606 000
Current service cost	3 083 000	2 003 000
Actual employer benefit payments	(2 776 000)	(1 606 000)
Balance at end of year	**3 083 000**	**2 003 000**

Current Portion of Non-Current Provisions:

Staff Benefit Provisions:

	Leave Provision	Ex-gratia Pension
	R	R
30 June 2019		
Opening Balance	14 966 764	61 000
Increases	2 059 738	21 048
Other Reductions	-	(61 000)
Balance at end of year	**17 026 502**	**21 048**

	Leave Provision	Ex-gratia Pension
	R	R
30 June 2018		
Opening Balance	14 561 561	61 000
Increases	405 203	61 000
Other Reductions	-	(61 000)
Balance at end of year	**14 966 764**	**61 000**

Other Operational Provisions:

	Decommission-ing of Landfill Sites	Environmental Clean-up
	R	R
30 June 2019		
Opening Balance	2 670 650	500 000
Increases	2 793 944	1 500 000
Reversals	(2 670 650)	-
Balance at end of year	**2 793 944**	**2 000 000**

	Decommission-ing of Landfill Sites	Environmental Clean-up
	R	R
30 June 2018		
Opening Balance	2 541 534	200 000
Increases	2 670 650	300 000
Reversals	(2 541 534)	-
Balance at end of year	**2 670 650**	**500 000**

15 PAYABLES FROM EXCHANGE TRANSACTIONS

	2019 R	2018 R
Advance Payments	14 956 402	16 129 451
Bonus	-	(86 664)
Other Payables	15 855 564	8 524 007
Retentions	2 539 496	2 743 214
Salary Related Payables	695 462	559 307
Trade Creditors	53 335 629	42 845 910
Total Payables	**87 382 553**	**70 715 226**

16 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

	2019 R	2018 R
16.1 Conditional Grants from Government	**103 445 548**	**6 941 508**
District Municipalities	-	257 000
National Government	98 082 838	65 500
Provincial Government	5 362 711	6 619 008
Total Conditional Grants and Receipts	**103 445 548**	**6 941 508**

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 24 for the reconciliation of Grants from Government and Note 24 for the reconciliation of Other Conditional Receipts. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

17 LONG-TERM LIABILITIES

	2019 R	2018 R
Long-Term Liabilities	25 420 948	32 544 431
Development Bank of South Africa	23 089 162	30 266 608
Finance Lease Liability	2 331 786	2 277 822
Less: Current Portion transferred to Current Liabilities:-	(9 066 539)	(8 944 035)
Development Bank of South Africa	(7 998 872)	(7 179 508)
Finance Lease Liability	(1 067 666)	(1 764 527)
Non-Current Portion of Long-term Liabilities	**16 354 409**	**23 600 396**

17.1 Summary of Arrangements

The fixed term loan is over a period of 10 years was taken up with the Development Bank of Southern Africa to purchase heavy duty vehicles. In terms of the service level agreement, as amended, the loan will be repaid in monthly instalments at a interest rate of 11.18 %. Interest payments commenced on 30 June 2009.
The fair value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

17.2 Obligations under Borrowings

	2019 R	2018 R
Annuity and Bullet Loans	15 090 290	23 087 100
Current Portion transferred to Current Liabilities:-	7 998 872	7 179 508
Total Borrowings	**23 089 162**	**30 266 608**

17.3 Obligations under Leases

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2019 R	2018 R	2019 R	2018 R
Amounts payable under finance leases:				
Within one year	1 330 082	2 138 905	1 067 666	1 764 526
In the second to fifth years, inclusive	1 458 151	534 726	1 264 123	513 300
	2 788 233	2 673 631	2 331 789	2 277 826
Less: Future Finance Obligations	456 444	395 806	-	-
Present Value of Minimum Lease Obligations	**2 331 789**	**2 277 825**	**2 331 789**	**2 277 826**

18 EMPLOYEE BENEFIT LIABILITIES

	2019 R	2018 R
Employee Benefit Liabilities	100 318 061	101 386 999
Post-retirement Health Care Benefits Liability	83 222 393	86 379 999
Post-retirement Ex-Gratia Benefits Liability	158 159	715 000
Long Service Awards Liability	16 937 509	14 292 000
Less: Current Portion of Employee Benefit Liabilities	(5 510 644)	(5 086 000)
Post-retirement Health Care Benefits Liability	(2 982 243)	(3 083 000)
Long Service Awards Liability	(2 528 401)	(2 003 000)
Non-Current Portion of Employee Benefit Liabilities	**94 807 417**	**96 300 999**

18.1 Post-retirement Health Care Benefits Liability

	2019 R	2018 R
Opening balance	86 379 999	82 973 999
Current service cost	(74 606)	12 041 000
Actual employer benefit payments	(3 083 000)	(8 635 000)
Balance at end of Year	83 222 393	86 379 999
Transfer to Current Provisions	2 982 243	3 083 000
Total Post-retirement Health Care Benefits Liability	**80 240 150**	**83 296 999**

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2019 by Chanan Weiss, Arch Actuarial Consulting. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

	2019	2018
In-service Members (Employees)	416	415
Continuation Members (Retirees, widowers and orphans)	69	70
Total Members	**485**	**485**

The liability in respect of past service has been estimated as follows:

	2019	2018
In-service Members	42 352 442	44 592 000
Continuation Members	40 869 951	41 787 999
Total Liability	**83 222 393**	**86 379 999**

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Hosmed
- Samwumed

The Current-service Cost for the year ending 30 June 2019 is estimated to be R4 029 000, whereas the cost for the ensuing year is estimated to be R8 306 000 (30 June 2018: R3 864 000 and R8 101 000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2019 R	2018 R
Discount Rate	9.50%	9.79%
Health Care Cost Inflation Rate	6.92%	7.63%
Net Effective Discount Rate	2.41%	2.01%
Expected Retirement Age - Females	62	63
Expected Retirement Age - Males	62	63

Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening balance	86 379 999	82 973 999
Interest cost	8 306 000	8 101 000
Current service cost	4 029 000	3 864 000
Benefits paid	(3 083 000)	(2 776 000)
Actuarial losses / (gains)	(12 409 606)	(5 783 000)
Total Recognised Benefit Liability	**83 222 393**	**86 379 999**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	83 222 393	86 379 999
Unfunded Accrued Liability	83 222 393	86 379 999
Total Benefit Liability	**83 222 393**	**86 379 999**

The history of fair values are as follows:

	2019 R	2018 R	2017 R	2016 R	2015 R
Present Value of Defined Benefit Obligation	83 222 393	86 379 999	82 973 999	80 918 999	75 054 000
Deficit	**83 222 393**	**86 379 999**	**82 973 999**	**80 918 999**	**75 054 000**

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	14 731 000	14 731 000
Effect on the defined benefit obligation	97 574 000	101 134 000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	10 427 000	12 734 000
Effect on the defined benefit obligation	71 736 000	87 802 000

The municipality expects to make a contribution of R2,982,243 (2018: R3,083,000) to the Defined Benefit Plans during the next financial year.

Refer to Note 48, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

18.2 Post-retirement Ex-Gratia Benefits Liability

Opening balance	776 000	803 000
Interest cost	-	73 000
Current service cost	(535 793)	61 000
Actual employer benefit payments	-	(122 000)
Actuarial loss/ (gain) recognised in the year	(61 000)	(39 000)
Balance at end of Year	179 207	776 000
Transfer to Current Provisions	(21 048)	(61 000)
Total Post-retirement Ex-Gratia Benefits Liability	**158 159**	**715 000**

The municipality provides certain post - retirement pension benefits to certain retired employees of the municipality. According to the rules of the pension fund, with which the municipality is associated, a member (whi is on the current Conditions of Service) on retirement, is entitled to certain pension benefits in which case the municipality is liable for pension payments to retired members for the remainder of their lives.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2019 Chanan Weiss, Arch Actuarial Consulting fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	7.71%	9.50%
Health Care Cost Inflation Rate	4.09%	6.51%
Net Effective Discount Rate	3.48%	2.81%
Expected Retirement Age - Females	62	63
Expected Retirement Age - Males	62	63

	2019 R	2018 R
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening balance	776 000	803 000
Interest cost	71 000	73 000
Benefits paid	(61 000)	(61 000)
Actuarial losses / (gains)	(606 793)	(39 000)
Total Recognised Benefit Liability	**179 207**	**776 000**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	179 207	776 000
Unfunded Accrued Liability	179 207	776 000
Total Benefit Liability	**179 207**	**776 000**
The amounts recognised in the Statement of Financial Performance are as follows:		
Interest cost	71 000	73 000
Actuarial losses / (gains)	(606 793)	(39 000)
Total Post-retirement Benefit included in Employee Related Costs (Note 30)	**(535 793)**	**34 000**

The major categories of plan assets, and the expected rate of return at the balance sheet date for each category, are as follows:
The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The management's assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.

The plan assets include ordinary shares of International GAAP Holdings Limited with a fair value of R0,38 million (2018: R0,38 million) and property occupied by a subsidiary of International GAAP Holdings Limited with a fair value of R0,62 million (2018: R0,62 million).

The history of experienced adjustments is as follows:

	2019 R	2018 R	2017 R	2016 R	2015 R
Present Value of Defined Benefit Obligation	179 207	776 000	803 000	924 000	912 000
Deficit	**179 207**	**776 000**	**803 000**	**924 000**	**912 000**
Experienced adjustments on Plan Liabilities	(1 189)	(1 189)	2 356 040	41 820	6 739 754

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

	2019	2018
Increase:		
Effect on the aggregate of the current service cost and the interest cost	69 000	69 000
Effect on the defined benefit obligation	170 228	689 000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	68 000	68 000
Effect on the defined benefit obligation	189 204	828 000

Refer to Note , "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

18.3 Long Service Awards Liability

	2019	2018
Opening Balance	14 292 000	13 110 000
Increases	4 648 509	2 788 000
Payments Made	(2 003 000)	(3 212 000)
Reversals	-	1 606 000
Balance at end of Year	16 937 509	14 292 000
Transfer to Current Provisions	(2 528 401)	(2 003 000)
Total Long Service Awards Liability	**14 409 108**	**12 289 000**

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2019 by Chanan Weiss, Arch Actuarial Consulting. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 857 (2018: 833) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2019 is estimated to be R 1 260 000, whereas the cost for the ensuing year is estimated to be R 1 114 000 (30 June 2018: R1 037 000 and R1 139 000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:		
Discount Rate	8.03%	8.57%
Cost Inflation Rate	5.49%	5.31%
Net Effective Discount Rate	2.41%	2.13%
Expected Rate of Salary Increase	6.50%	6.31%
Expected Retirement Age - Females	62	63
Expected Retirement Age - Males	62	63
Movements in the present value of the Defined Benefit Obligation were as follows:		
Opening Balance	14 292 000	13 110 000
Increases	4 648 509	2 788 000
Payments Made	(2 003 000)	(3 212 000)
Reversals	-	1 606 000
Total Recognised Benefit Liability	**16 937 509**	**14 292 000**
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	16 937 509	14 292 000
	16 937 509	14 292 000
Unfunded Accrued Liability	16 937 509	14 292 000
Total Benefit Liability	**16 937 509**	**14 292 000**
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	4 648 509	2 788 000
Interest cost	-	(3 212 000)
Total Post-retirement Benefit included in Employee Related Costs (Note 30)	**4 648 509**	**(424 000)**

The history of experienced adjustments is as follows:

	2019 R	2018 R	2017 R	2016 R	2015 R
Present Value of Defined Benefit Obligation	16 937 509	14 292 000	13 110 000	11 442 000	13 415 000
Deficit	**16 937 509**	**14 292 000**	**13 110 000**	**11 442 000**	**13 415 000**

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase:		
Effect on the aggregate of the current service cost and the interest cost	2 398 000	2 398 000
Effect on the defined benefit obligation	16 034 000	13 586 000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	2 399 000	2 399 000
Effect on the defined benefit obligation	17 944 000	15 704 000

The municipality expects to make a contribution of R2,528,401 (2018: R4,648,509) to the defined benefit plans during the next financial year.

19 NON-CURRENT PROVISIONS

Decommissioning, Restoration and Similar Liabilities: Landfill Sites	68 585 204	65 627 734
Provision for Environmental Cleanup	52 200	52 200
Total Non-current Provisions	**68 637 404**	**65 679 934**

The movement in Non-current Provisions are reconciled as follows:

Other Operational Provisions:

	Decommission-ing of Landfill Sites R	Environmental Cleanup R
30 June 2019		
Opening Balance	65 627 734	52 200
Increases	2 957 470	-
Balance at end of year	**68 585 204**	**52 200**

	Decommission-ing of Landfill Sites	Environmental Cleanup
	R	R
30 June 2018		
Opening Balance	62 413 610	52 200
Increases	3 214 124	-
Balance at end of year	**65 627 734**	**52 200**

20 ACCUMULATED SURPLUS

Accumulated Surplus / (Deficit) due to the results of Operations	2 190 611 741	2 131 472 850
Total Accumulated Surplus	**2 190 611 741**	**2 131 472 850**

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

21 PROPERTY RATES

	Actual Levies	
	July 2019 R000's	July 2018 R000's
Property Rates Levies	184 331 308	160 619 768
Total Property Rates	**184 331 308**	**160 619 768**

21.1 Calculation of Cash Flow:

	2019 R	2018 R
Property Rates Income	184 331 308	160 619 768
Opening Balance of Debtors: Assessment Rates	35 843 253	35 163 570
Closing Balance of Debtors: Assessment Rates	(38 146 861)	(35 843 253)
Amounts written-off as uncollectable	(101 147)	-
Total Receipts for Property Rates	**181 926 552**	**159 940 086**

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2018.

Interim valuations are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions.

An general rate is applied as follows to property valuations to determine property rates:
Residential Properties: 0,0078 c/R (2017/18: 0,0072 c/R)
Business Properties: 0,0081 c/R (2017/18: 0,0075 c/R)
Agricultural Properties: 0,0020 c/R (2017/18: 0,0018 c/R)

A Rebate of R15,000 is received on all residential properties, private towns receives an additional 20% on property valuation and equitable share receipients receives an additional R85,000 rebate on property value.

22 FINES, PENALTIES AND FORFEITS

Traffic Fines	20 856 720	34 359 038
Municipal	4 221 605	3 447 452
Service Provider	16 635 116	30 911 585
Other Fines	477 063	473 434
Building	311 014	455 021
Overdue Books Fine	2 049	3 413
Pound Fees	164 000	15 000
Total Fines, Penalties and Forfeits	**21 333 783**	**34 832 471**

23 LICENCES AND PERMITS

Boat	3 928 170	3 887 761
Health Certificates	5 980	9 315
Road and Transport	11 693 690	9 507 011
Drivers Licence Application/Duplicate Drivers Licences	3 235 822	2 893 431
Drivers Licence Certificate	4 336 184	708 288
Learners Certificate	1 177 061	886 274
Motor Vehicle Licence	1 970 432	4 384 152
Operators and Public Drivers Permits	974 192	634 866
Trading	164 947	142 767
Total Licences and Permits	**15 792 788**	**13 546 854**

24 TRANSFERS AND SUBSIDIES RECEIVED

Capital Grants	94 020 455	37 950 709
Monetary Allocations	94 020 455	37 950 709
Operational Grants	122 879 370	108 897 379
Monetary Allocations	122 879 370	108 897 379
Total Government Grants and Subsidies	**216 899 825**	**146 848 088**

24.1 Capital Grants

	Monetary Allocations	
	2019	**2018**
District Municipalities	983 093	3 340 380
National Governments	93 037 362	30 102 329
Provincial Government	-	2 050 000
Total Capital Grants Received	**94 020 455**	**37 950 709**

24.2 Operational Grants

	Monetary Allocations	
	2019	**2018**
District Municipalities	3 332 186	2 353 315
National Governments	4 346 184	3 871 671
National Revenue Fund	113 151 000	102 637 393
Provincial Government	2 050 000	35 000
Total Operational Grants Received	**122 879 370**	**108 897 379**

24.3 Calculation of Cash Flow:

Government Grants and Subsidies Income	216 899 825	146 848 088
Opening Balance of Unspent Government Grants	(6 941 508)	(6 406 753)
Closing Balance of Unspent Government Grants	103 445 548	6 941 508
Total Receipts for Government Grants and Subsidies	**313 403 865**	**147 382 843**

24.4 Reconciliation per Grant Source

24.4.1 National Governments

Balance unspent at beginning of year	65 500	348 892
Current year receipts	194 639 000	32 974 000
Conditions met - transferred to Revenue	(96 621 662)	(33 257 392)
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 16)	**98 082 838**	**65 500**

24.4.2 Provincial Government

Balance unspent at beginning of year	6 876 008	6 120 831
Current year receipts	1 206 273	853 147
Conditions met - transferred to Revenue	(2 719 571)	(97 970)
Conditions still to be met - transferred to Liabilities (see Note 16)	**5 362 711**	**6 876 008**

24.5 Conditional Grants include:

24.6 National: EPWP Grant

Balance unspent at beginning of year	-	-
Current year receipts	1 013 000	1 000 000
Conditions met - transferred to Revenue: Operating Expenses	(1 013 000)	(1 000 000)
Conditions still to be met - transferred to Liabilities (see Note 16)	**-**	**-**

The Expanded Public Works Programme Grant was allocated to the municipality for environmental projects.
No funds has been withheld.

24.7 National: FMG Grant

Balance unspent at beginning of year	-	-
Current year receipts	1 770 000	1 700 000
Conditions met - transferred to Revenue: Operating Expenses	(1 770 000)	(1 700 000)
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 16)	**-**	**-**

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003. .

24.8 National: MIG Funds

Balance unspent at beginning of year	-	-
Current year receipts	31 186 000	27 274 000
Conditions met - transferred to Revenue: Capital Expenses	(31 186 000)	(27 274 000)
Conditions still to be met - transferred to Liabilities (see Note 16)	**-**	**-**

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions; to provide for new, rehabilitation and upgrading of municipal infrastructure. No funds have been withheld.

24.9 National: WSIG Funds

Balance unspent at beginning of year	-	-
Current year receipts	151 228 000	-
Conditions met - transferred to Revenue: Capital Expenses	(53 210 662)	-
Other Adjustments/Refunds	-	-
Conditions still to be met - transferred to Liabilities (see Note 16)	**98 017 338**	**-**

The Water Services Infrastructure Grant is allocated to municipalities to assist in drought relief.

24.10 National: Department of economic development

Balance unspent at beginning of year	65 500	65 500
Conditions still to be met - transferred to Liabilities (see Note 16)	**65 500**	**65 500**

No funds have been withheld.

24.11 Provincial Government: Disaster

Balance unspent at beginning of year	-	-
Current year receipts	-	1 090 000
Conditions met - transferred to Revenue: Operating Expenses	-	(1 090 000)
Conditions still to be met - transferred to Liabilities (see Note 16)	**-**	**-**

No funds has been withheld.

24.12 National: Department Energy (INEP)

Balance unspent at beginning of year	-	283 392
Current year receipts	10 200 000	4 000 000
Conditions met - transferred to Revenue: Capital Expenses	(10 200 000)	(4 000 000)
Other Adjustments/Refunds	-	(283 392)
Conditions still to be met - transferred to Liabilities (see Note 16)	**-**	**-**

Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.

24.13 Provincial: Department Human Settlement (Houses)

Balance unspent at beginning of year	6 876 008	6 876 008
Current year receipts	1 206 273	-
Conditions met - transferred to Revenue: Operating Expenses	(2 719 571)	-
Conditions still to be met - transferred to Liabilities (see Note 16)	**5 362 711**	**6 876 008**

This grant is for the building of low cost housing. The municipality is only the agent of the department of human settlements for the construction of low cost houses. No funds have been withheld.

25 SERVICE CHARGES

Sale of Electricity	242 848 390	216 313 708
Sale of Water	75 590 711	64 068 053
Refuse Removal	50 819 126	42 155 385
Sewerage and Sanitation Charges	44 022 707	37 814 972
Total Service Charges	**413 280 935**	**360 352 117**

25.1 Calculation of Cash Flow:

Service Charges Income	413 280 935	360 352 117
Opening Balance of Debtors: Service Charges	141 782 964	124 435 221
Closing Balance of Debtors: Service Charges	(165 551 604)	(141 782 964)
Amounts written-off as uncollectable	(14 487 992)	(11 905 902)
Total Receipts for Service Charges	**375 024 303**	**331 098 472**

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

26 SALES OF GOODS AND RENDERING OF SERVICES

Application Fees for Land Usage	428 178	72 779
Building Plan Approval	2 352 796	2 159 113
Camping Fees	2 050 842	2 306 098
Cemetery and Burial	322 105	391 669
Cleaning and Removal	2 631	1 704
Encroachment Fees	14 313	104 358
Fire Services	17 634	8 481
Legal Fees	182 591	1 635 154
Photocopies and Faxes	67 508	83 484
Removal of Restrictions	248 770	10 946
Sale of Goods	71 478	1 622 317
Scrap, Waste & Other Goods	765	-
Town Planning and Servitudes	79 276	299 631
Valuation Services	332 125	138 641
Total Sales of Goods and Rendering of Services	**6 171 011**	**8 834 374**

27 RENTAL FROM FIXED ASSETS

Straight-lined Operating Lease Revenue		
Other Fixed Assets	609 214	614 198
Property Plant and Equipment	609 214	614 198
Total Rental of Facilities and Equipment	**609 214**	**614 198**

Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.

28 INTEREST, DIVIDENDS AND RENT ON LAND EARNED

Non-exchange Receivables:		
Outstanding Billing Debtors	1 325 934	1 125 936
Total Non-exchange Interest Earned	**1 325 934**	**1 125 936**
External Investments:		
Bank Account	2 034 071	1 290 623
Investments	9 912 622	7 461 125
	11 946 693	**8 751 748**
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	6 962 074	5 658 240
Total Exchange Interest Earned	**18 908 767**	**14 409 988**
Total Interest, Dividends And Rent On Land Earned	**20 234 700**	**15 535 924**

28.1 Calculation of Cash Flow:

Interest on Bank Accounts	2 034 071	1 290 623
Interest on Investments	9 912 622	7 461 125
Total Receipts for Interest Received	**11 946 693**	**8 751 748**

29 OPERATIONAL REVENUE

Commission	462 009	423 677
Insurance Refund	(230 171)	747 758
Skills Development Levy Refund	1 203 801	-
Staff Recoveries	18 485	95 945
Total Operational Revenue	**1 454 124**	**1 267 381**

29.1 Calculation of Cash Flow:

	2019 R	2018 R
Income from Operational Revenue	1 454 124	1 267 381
Minus: Insurance Payout	-	(747 758)
Income from Rental from Fixed Assets	609 214	614 198
Income from Sales of Goods and Rendering of Services	6 171 011	8 834 374
Income from Licences and Permits	15 792 788	13 546 854
Income from Fines, Penalties and Forfeits	21 333 783	34 832 471
Opening Balance of Debtors: Non-exchange Transactions	71 483 054	60 262 631
Opening Balance of Debtors: Assessment Rates	(35 843 253)	(35 163 570)
Closing Balance of Debtors: Non-exchange Transactions	(88 823 668)	(71 483 054)
Closing Balance of Debtors: Assessment Rates	38 146 861	35 843 253
Movement of Fines Debtors	5 446 250	(25 099 061)
Opening Balance of Operating Lease Receivables	269 124	281 727
Closing Balance of Operating Lease Receivables	(234 365)	(269 124)
Opening Balance of Current Portion of Long-term Receivables	3 000	3 000
Closing Balance of Current Portion of Long-term Receivables	(3 000)	(3 000)
Opening Balance of Consumer Deposits	(15 240 869)	(13 567 024)
Closing Balance of Consumer Deposits	17 378 122	15 240 869
Total Receipts for Other Revenue	**37 942 178**	**24 394 165**

30 EMPLOYEE RELATED COSTS

Salaries and Wages		
Basic	165 865 539	145 973 947
Long Service Awards	946 433	825 217
Bonusses	1 076 466	324 579
Leave Payments	1 590 718	2 313 551
Overtime	26 376 406	20 434 525
Allowances		
Acting and Post Related Allowances	1 043 282	1 156 173
Bonus Allowance	12 116 643	11 300 437
Cellular and Telephone	7 500	26 059
Entertainment	-	-
Housing Benefits	952 831	1 838 206
Scarcity Allowance	-	-
Standby Allowance	6 117 348	4 733 327
Travel or Motor Vehicle	7 775 698	7 247 120
Uniform/Special/Protective Clothing	-	-
Voluntary Work	-	-
Social Contributions		
Bargaining Council	1 664 295	1 676 605
Group Life Insurance	5 762 048	5 053 315
Medical	14 432 761	13 472 307
Pension	26 001 803	23 404 067
Unemployment Insurance	1 477 783	1 436 555
Post-retirement Benefit		
Current Service Cost	4 029 000	3 864 000
Interest Cost	8 377 000	8 101 000
Actuarial (Gains) and Losses	(13 016 399)	(5 783 000)
Past Service Cost	(3 144 000)	(2 803 000)
Leave Payout	2 059 738	-
Long Term Service Awards	2 645 509	1 182 000
Total Employee Related Costs	**274 158 400**	**245 776 991**

30.1 Calculation of Cash Flow:

Employee Related Costs Expenditure	274 158 400	245 776 991
Opening Balance of Current Portion Employee Benefit Liabilities	20 113 764	19 004 561
Closing Balance of Current Portion Employee Benefit Liabilities	(22 558 194)	(20 113 764)
Opening Balance of Current Staff Benefit Provisions	1 220 196	898 174
Closing Balance of Current Staff Benefit Provisions	(2 296 662)	(1 220 196)
Opening Balance of Non-current Employee Benefit Liabilities	96 300 999	92 444 000
Closing Balance of Non-current Employee Benefit Liabilities	(94 807 417)	(96 300 999)
Movement in Staff Related Payables	(222 818)	(322 022)
Total Payments for Employee Related Costs	**271 908 268**	**240 166 744**

No advances were made to employees. Loans to employees are set out in Note 12.

Remuneration of Section 57 Employees:

Remuneration of the Municipal Manager: C Du Plessis		
Annual Remuneration	1 374 625	1 299 280
Car and Other Allowances	117 929	97 938
Company Contributions to UIF, Medical and Pension Funds	19 919	22 532
Total	**1 512 473**	**1 419 749**
Remuneration of the Chief Financial Officer: S Thys		
Annual Remuneration	1 283 246	1 217 437
Car and Other Allowances	111 583	109 000
Company Contributions to UIF, Medical and Pension Funds	19 142	19 482
Total	**1 413 971**	**1 345 919**
Remuneration of the Director: Community Services - N Machalesi		
Annual Remuneration	1 027 460	241 400
Car and Other Allowances	203 806	45 000
Company Contributions to UIF, Medical and Pension Funds	17 650	5 539
Total	**1 248 917**	**291 939**
Remuneration of the Director: Community Services - N Machalesi		
Acting Allowance	-	74 799
	-	**74 799**
Remuneration of the Acting Director: Community Services - G Louw		
Annual Remuneration	-	326 055
Car and Other Allowances	-	9 768
Company Contributions to UIF, Medical and Pension Funds	-	13 322
Total	**-**	**349 145**
Remuneration of Director: Infrastructure and Engineering - V Felton		
Annual Remuneration	1 111 460	1 044 161
Car and Other Allowances	119 588	123 784
Company Contributions to UIF, Medical and Pension Funds	16 774	16 639
Total	**1 247 822**	**1 184 584**
Remuneration of Director: Corporate Services - K Moodley		
Annual Remuneration	1 111 460	887 883
Car and Other Allowances	119 545	118 491
Company Contributions to UIF, Medical and Pension Funds	17 190	29 559
Total	**1 248 195**	**1 035 934**
Remuneration of Director: Planning, Development and Tourism - F Mabusela		
Annual Remuneration	1 027 460	143 246
Car and Other Allowances	248 187	34 000
Company Contributions to UIF, Medical and Pension Funds	18 607	18 392
Total	**1 294 253**	**195 638**
Summary of Remuneration of Section 57 Employees:		
All Managers	7 965 631	5 897 706
Total Remuneration of Section 57 Employees	**7 965 631**	**5 897 706**

31 REMUNERATION OF COUNCILLORS

Executive Mayor	731 462	604 077
Speaker	580 894	495 847
Executive Committee Members	2 678 819	2 724 077
Total for All Other Councillors	8 210 992	8 241 882
	12 202 166	**12 065 883**

In-kind Benefits

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Mayor is provided with secretarial support and an office at the cost of the municipality.

	2019 R	2018 R
32 DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	75 731 632	73 472 345
Amortisation: Intangible Assets	124 187	145 456
Total Depreciation and Amortisation	**75 855 819**	**73 617 801**
33 IMPAIRMENT LOSSES		
Impairment Losses on Fixed Assets	-	1 587 000
Impairment Losses on Financial Assets	45 795 529	59 829 231
Fair Value Adjustments	(31 488)	62 545
Total Impairment Losses	**45 764 042**	**61 478 776**
34 INTEREST, DIVIDENDS AND RENT ON LAND PAID		
Interest Paid	6 637 780	9 245 059
Borrowings	3 020 625	3 775 682
Finance Leases	422 482	796 045
Interest costs non-current Provisions	3 141 024	3 312 712
Overdue Accounts	53 650	1 360 621
Total Interest, Dividends and Rent on Land	**6 637 780**	**9 245 059**
34.1 Calculation of Cash Flow:		
Interest Expenditure	6 637 780	9 245 059
Minus: Interest on Provisions	(3 141 024)	(3 312 712)
Minus: Interest on Overdue Accounts	(53 650)	(1 360 621)
Total Payments for Finance Costs	**3 443 107**	**4 571 726**
35 BULK PURCHASES		
Electricity	198 587 027	184 880 508
Water	35 940 380	32 707 822
Total Bulk Purchases	**234 527 407**	**217 588 330**
36 CONTRACTED SERVICES		
Outsourced Services	14 341 743	7 036 639
Consultants and Professional Services	11 757 972	10 340 310
Contractors	36 593 975	18 115 505
Total Contracted Services	**62 693 690**	**35 492 455**
36.1 Outsourced Services		
Animal Care	252 644	-
Burial Services	68 100	23 900
Business and Advisory	8 003 170	2 443 257
Catering Services	380 194	416 016
Cleaning Services	16 000	33 424
Drivers Licence Cards	719 467	323 257
Illegal Dumping	6 957	39 654
Internal Auditors	162 928	787 827
Litter Picking and Street Cleaning	1 396 380	40 591
Medical Services [Medical Health Services & Support]	444 612	400 959
Professional Staff	578 509	305 000
Refuse Removal	1 500	95 080
Security Services	1 030 799	591 860
Traffic Fines Management	1 174 493	1 427 767
Transport Services	105 989	108 047
	14 341 743	**7 036 639**
36.2 Consultants and Professional Services		
Business and Advisory	4 532 073	4 141 281
Infrastructure and Planning	1 066 000	1 456 570
Laboratory Services	662 321	564 758
Legal Cost	5 497 579	4 177 701
	11 757 972	**10 340 310**

		2019 R	2018 R
36.3 Contractors			
Artists and Performers		150 000	-
Auctioneers		7 832	-
Catering Services		2 000	-
Employee Wellness		188 963	4 580
Interior Decorator		10 564	8 426
Maintenance of Buildings and Facilities		7 213 609	1 973 118
Maintenance of Equipment		489 124	221 063
Maintenance of Unspecified Assets		28 442 883	15 893 662
Medical Services		19 800	-
Pest Control and Fumigation		30 400	10 850
Transportation		38 800	3 808
		36 593 975	**18 115 505**

36.4 Calculation of Cash Flow:

Expenditure for Inventory Consumed	Note 37	27 381 399	20 594 170
Expenditure for Contracted Services	Note 36	62 693 690	35 492 455
Expenditure for Bulk Purchases	Note 35	234 527 407	217 588 330
Opening Balance of Payables: Exchange Transactions	Note 15	70 715 226	128 559 171
Closing Balance of Payables: Exchange Transactions	Note 15	(87 382 553)	(70 715 226)
Less: Non-Cash Correction of Error on Payables	Note 42	-	(55 810 973)
Opening Balance of Inventories	Note 2	(6 666 181)	(4 952 364)
Closing Balance of Inventories	Note 2	9 249 357	6 666 181
Total for Suppliers Paid		**310 518 346**	**277 421 744**

37 INVENTORY CONSUMED

Consumables	7 999 136	7 402 856
Materials and Supplies	19 382 263	13 191 314
	27 381 399	**20 594 170**

38 TRANSFERS AND SUBSIDIES PAID

Provincial Government	-	372 340
Total Transfers and Subsidies Paid	-	372 340

39 OPERATING LEASES

Furniture and Office Equipment	5 783 199	-
Land	-	478 582
Machinery and Equipment	107 047	2 245 652
Other Assets	3 620 131	-
Transport Assets	-	1 300
Total for Operating Leases	**9 510 378**	**2 725 534**

40 OPERATIONAL COSTS

Included in General Expenses are the following:

	2019 R	2018 R
Achievements and Awards	823 472	1 608 413
Advertising, Publicity and Marketing	842 745	811 909
Assets less than the Capitalisation Threshold	4 207 680	-
Bank Charges, Facility and Card Fees	2 055 856	588 874
Bargaining Council	2 581 700	2 661 654
Commission	5 229 305	697 557
Communication	2 640 617	4 246 632
Contribution to Provisions	1 540 000	500 000
Courier and Delivery Services	52	33
Deeds	-	(56 050)
External Audit Fees	4 412 076	4 786 064
External Computer Service	5 857 285	3 889 707
Hire Charges	15 218 235	17 059 990
Insurance Underwriting	2 546 605	2 164 842
Licences	646 154	3 340 716
Management Fee	5 784 917	3 368 870
Municipal Services	4 477 544	4 880 801
Printing, Publications and Books	865 399	1 371 851
Professional Bodies, Membership and Subscription	15 625	11 911
Registration Fees	1 453 752	670 592
Remuneration to Ward Committees	2 407 538	1 133 615
Repayment of Forfeited Deposits	-	308 761
Resettlement Cost	198 261	61 729
Samples and Specimens	8 202	-
Search Fees	71 453	90 072
Signage	330 548	9 122
Skills Development Fund Levy	1 687 995	1 425 362
Travel and Subsistence	2 045 503	982 475
Uniform and Protective Clothing	2 057 843	1 321 475
Vehicle Tracking	584 079	571 836
Workmen's Compensation Fund	896 821	986 348
Total Operational Costs	**71 487 261**	**59 495 162**

40.1 Calculation of Cash Flow:

	2019 R	2018 R
Expenditure for Operational Costs	(71 487 261)	(59 495 162)
Expenditure for Operating Leases	(9 510 378)	(2 725 534)
Expenditure for Transfers and Subsidies Paid	-	(372 340)
Opening Balance of Current Other Operating Provisions	(3 170 650)	(2 741 534)
Closing Balance of Current Other Operating Provisions	4 793 944	3 170 650
Opening Balance of Non-current Other Operating Provisions	(65 679 934)	(62 465 810)
Closing Balance of Non-current Other Operating Provisions	68 637 404	65 679 934
Other non-cash movements	302 631	783 445
Total for Other Payments	**(76 114 244)**	**(58 166 352)**

40.2 Travel and Subsistence

	2019 R	2018 R
Domestic	**1 551 186**	**738 843**
Accommodation	350 645	293 569
Daily Allowance	19 137	19 013
Food and Beverage (Served)	203 909	-
Transport without Operator	808 300	296 731
Transport with Operator	169 195	129 529
Foreign	**261 538**	**-**
Accommodation	10 816	-
Daily Allowance	250 722	-
Non-employees	**232 779**	**243 632**
	2 045 503	**982 475**

41 GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS

Property, Plant and Equipment	(750 454)	(1 591 775)
Total Losses on Disposal of Capital Assets	**750 454**	**1 591 775**

42 CORRECTION OF ERROR AND RECLASSIFICATION OF ACCOUNTS

A split between reclassifications and prior period errors are provided to ensure that a clear distinction is made between reclassification of items previously incorrectly disclosed within the Annual Financial Stateements, whilst items classified as errors are those items which were factual errors in the prior year, affecting the measurement of such items. The title reclassification does not exclude previous judgement errors, but is rather presented separately in order to allow users to understand that these changes were identified as a consequence an exercise to continiously review the accurate disclosure of the nature of transactions.

42.1 Correction of Prior Period Errors

42.2 Reclassification of Accumulated Surplus

The prior year figures of Accumulated Surplus has been restated to correctly disclose the monies held by the municipality in terms of the disclosure notes indicated below.

The effect of the changes are as follows:

		Accumulated Surplus
Balances previously published per AFS as at 30 June 2018		**2 101 010 573**
Correction of Error:-		
Restatement of Receivables from Exchange Transactions	(2 996 179)	
Restatement of Receivables from Non-Exchange Transactions	(51 382)	
Restatement of Property, Plant and Equipment	2 775 222	
Restatement of Payables from Exchange Transactions	55 909 416	
Investment Property incorrectly Capitalised	(25 174 800)	
Adjustment for Rounding Errors	-	30 462 277
Restatement of 2017/18 Financial Performance		4 385 202
Restatement of 2016/17 Accumulated Surplus		26 077 075
Restated Balances as at 30 June 2018		**2 131 472 850**

42.2.1 Correction of Revenue

The effect of the Corrections are as follows:

	Prior Year 2017/178 Audited	Reclassification	Reclassified Amount	Correction of Error	Restated Amount 2017/18
Property Rates	160 671 150	-	160 671 150	(51 382)	160 619 768
Fines, Penalties and Forfeits	34 832 471	-	34 832 471	-	34 832 471
Licences and Permits	13 546 854	-	13 546 854	-	13 546 854
Transfers and Subsidies	144 390 088	-	144 390 088	2 458 000	146 848 088
Interest, Dividends and Rent on Land Earned	1 125 936	-	1 125 936	-	1 125 936
Service Charges	363 348 296	-	363 348 296	(2 996 179)	360 352 117
Sales of Goods and Rendering of Services	8 834 374	-	8 834 374	-	8 834 374
Rental from Fixed Assets	614 198	-	614 198	-	614 198
Interest, Dividends and Rent on Land Earned	14 409 988	-	14 409 988	-	14 409 988
Operational Revenue	1 267 381	-	1 267 381	-	1 267 381
	743 040 736	**-**	**743 040 736**	**-589 561**	**742 451 175**

	Property Rates	Service Charges	Transfers and Subsidies
Balance previously reported	**160 671 150**	**363 348 296**	**144 390 088**
Restatement of incorrect prior billing	-51 382	-2 996 179	-
Recognition of donated Land	-	-	2 458 000
Restated Balance now reported	**160 619 768**	**360 352 117**	**146 848 088**

Property Rates and Service Charges
Prior year amounts for Property Rates and Service Charges has been restated to correctly disclose incorrect prior billings identified in the current year.

Transfers and Subsidies:
Prior period amounts for Transfers and Subsidies has been restated to accurately disclose a property that was donated to the municipality.

42.2.2 Correction of Expenditure

The effect of the Corrections are as follows:

	Prior Year 2017/178 Audited	Reclassification	Reclassified Amount	Correction of Error	Restated Amount 2017/18
Employee Related Costs	245 776 991	-	245 776 991	-	245 776 991
Remuneration of Councillors	12 065 883	-	12 065 883	-	12 065 883
Depreciation and Amortisation	73 526 682	-	73 526 682	91 119	73 617 801
Impairment Losses	61 478 776	-	61 478 776	-	61 478 776
Interest, Dividends and Rent on Land	14 324 358	-	14 324 358	(5 079 299)	9 245 059
Bulk Purchases	217 588 330	-	217 588 330	-	217 588 330
Contracted Services	35 492 455	-	35 492 455	-	35 492 455
Inventory Consumed	20 580 753	-	20 580 753	13 417	20 594 170
Transfers and Subsidies Paid	372 340	-	372 340	-	372 340
Operating Leases	2 725 534	-	2 725 534	-	2 725 534
Operational Costs	59 495 162	-	59 495 162	-	59 495 162
Loss on Disposal of PPE	1 591 775	-	1 591 775	-	1 591 775
	745 019 039	**-**	**745 019 039**	**-4 974 763**	**740 044 276**

	Interest, Dividends and Rent on Land	Depreciation and Amortisation	Inventory Consumed
Balance previously reported	**14 324 358**	**73 526 682**	**20 580 753**
Restatement of incorrect depreciation	-	91 119	-
Recognition of inventory consumed previously capitalised	-	-	13 417
Interest on Water Service Charges incorrectly raised	-5 079 299	-	-
Restated Balance now reported	**9 245 059**	**73 617 801**	**20 594 170**

Depreciation and Amortisation:
Prior year amounts for Depreciation and Amortisation has been restated to correctly disclose the depreciation effect of Property, Plant and Equipment restatements. Refer to Financial Position corrections below.

Inventory Consumed:
Prior year amounts for Inventory Consumed has been restated to correctly disclose the depreciation effect of Property, Plant and Equipment restatements. Refer to Financial Position corrections below.

Interest, Dividends and Rent on Land
Prior year amounts for Interest, Dividends and Rent on Land have been restated to correctly exclude an interest amount that was previously incorrectly raised on Water Service Charges.

42.2.3 Correction of Statement of Financial Position

The effect of the Correction of Error is as follows:

	Prior Year 2017/18 Audited	Reclassification	Reclassified Amount	Correction of Error	Restated Amount 2017/18
Current Assets					
Inventories	6 666 181		6 666 181	-	6 666 181
Receivables from Exchange Transactions	51 830 360		51 830 360	(2 996 179)	48 834 181
Receivables from Non-exchange Transactior	26 517 164		26 517 164	(51 382)	26 465 782
VAT Receivable	22 713 472		22 713 472	-	22 713 472
Cash and Cash Equivalents	94 315 125		94 315 125	-	94 315 125
Operating Lease Receivables	269 124		269 124	-	269 124
Current Portion of Long-term Receivables	3 000		3 000	-	3 000
Non-Current Assets					
Property, Plant and Equipment	1 982 603 128	15 885 500	1 998 488 628	2 775 222	2 001 263 850
Intangible Assets	301 768		301 768	-	301 768
Investment Property	283 612 244	(15 885 500)	267 726 744	(25 174 800)	242 551 944
Long-term Receivables	16 000		16 000	-	16 000
Current Liabilities					
Consumer Deposits	15 240 869		15 240 869	-	15 240 869
Provisions	24 504 611		24 504 611	-	24 504 611
Payables from Exchange Transactions	126 624 642		126 624 642	(55 909 416)	70 715 226
Unspent Conditional Grants and Receipts	6 941 508		6 941 508	-	6 941 508
Current Portion of Long-term Liabilities	8 944 035		8 944 035	-	8 944 035
Non-Current Liabilities					
Long-term Liabilities	23 600 396		23 600 396	-	23 600 396
Employee Benefit Liabilities	96 300 999		96 300 999	-	96 300 999
Non-current Provisions	65 679 934		65 679 934	-	65 679 934
Net Assets					
Accumulated Surplus / (Deficit)	2 101 010 573		2 101 010 573	30 462 277	2 131 472 850
	-	**-**	**-**	**-**	**-**

Opening balances and prior year amounts of items in the Statement of Financial Position have been restated as indicated below:

	Receivables from Exchange Transactions	Receivables from Non-exchange Transactions	Property, Plant and Equipment	Investment Property	Payables from Exchange Transactions
Restated Balance after Reclassifications	**51 830 360**	**26 517 164**	**1 982 603 128**	**283 612 244**	**126 624 642**
Relassification of Assets			15 885 500	-15 885 500	-
Correction of PPE Project			421 761	-	-
Recognition of donated Land			2 458 000		
Retention on PPE Project Correction			-	-	-98 443
Correction of Opening Balance of PPE			-104 538	-	-
Restatement of incorrect prior billing	-2996179	-51382			
Water and Interest incorrectly raised					-55 810 973
Investment Property incorrectly capitalised				-25 174 800	
Restated Balance now reported	**48 834 181**	**26 465 782**	**2 001 263 850**	**242 551 944**	**70 715 226**

Property, Plant and Equipment:
The prior period amounts for Property, Plant and Equipment has been restated to correctly disclose a project that was completed with the 2017/18 financial year, and previously incorrectly disclosed as Work in Progress.
Furthermore, the Prior Period amounts for Property, Pland and Equipment has also been restated to correctly disclose a property that was donanted to the municipality.

Investment Property
The Prior Period amounts for Investment Property has also been restated to correctly disclose a property that was donated to the municipality. Furthermore, Investment Property has been restated to correctly disclose an incorrect prior capitalisation amount of R25,174,800.

Payables from Exchange Transactions:
The prior period amounts for Payables from Exchange Transactions has been restated to disclose a reduction in Retentions owed due a capital project that was completed during the year, as indicated by the Property, Plant and Equipment corrections.
Furthermore, Payables have been restate to correct a Water and Interest account for which a Payable was incorrectly raised in the past.

Receivables from Exchange and Non-Exchange Transactions:
The prior period amounts for Receivables from Exchange and Non-Exchange Transactions have been restated to disclose incorrect billings in the prior period that has subsequently been identified and corrected.

43 CASH GENERATED BY OPERATIONS

	2019 R	2018 R
Surplus / (Deficit) for the Year	59 138 890	2 406 899
Adjustment for:		
Correction of Prior Year Errors	-	-
Non-Cash Interest on Debtors	-8 288 008	-6 784 176
Non-Cash Interest on Payables and Provisions	3 194 673	4 673 333
Depreciation and Amortisation	75 855 819	73 617 801
Less: Insurance Payout, classified as Investing Activities	-	-747 758
Interest on Finance Leases	-	-
Impairment Losses on Property, Plant and Equipment	45 764 042	61 478 776
Losses / (Gains) on Disposal of Property, Plant and Equipment	750 454	1 591 775
Movement in Current Employee Benefit Liabilities	2 444 430	1 109 203
Movement in Current Staff Benefit Provisions	1 076 466	322 022
Movement in Non-current Employee Benefit Liabilities	-1 493 582	3 857 000
Movement in Current Other Operating Provisions	1 623 294	429 116
Movement in Non-current Other Operating Provisions	2 957 470	3 214 124
Movement in Performance Bonus	222 818	322 022
Reversal of Fines Debtors prior year	5 446 250	-25 099 061
Bad Debts Written-off	-14 589 139	-11 905 902
Operating surplus before working capital changes	**174 103 877**	**108 485 174**
Decrease/(Increase) in Inventories	-2 583 176	-1 713 817
Decrease/(Increase) in Receivables from Exchange Transactions	-23 768 640	-17 347 743
Decrease/(Increase) in Receivables from Non-exchange Transactions	-17 340 613	-11 220 424
Decrease/(Increase) in VAT Receivable	-24 082 421	-11 424 658
Decrease/(Increase) in Operating Lease Receivables	34 759	12 602
Increase/(Decrease) in Consumer Deposits	2 137 254	1 673 845
Increase/(Decrease) in Payables from Exchange Transactions	16 667 327	-57 843 945
Less: Non-Cash Correction of Error on Payables	-	55 810 973
Increase/(Decrease) in Payables from Non-exchange Transactions	-	-0
Increase/(Decrease) in Conditional Grants and Receipts	96 504 040	534 755
Other non-cash movements	302 631	783 445
Cash generated by / (utilised in) Operations	**221 975 038**	**67 750 206**

44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

44.1 Unauthorised Expenditure

Reconciliation of Unauthorised Expenditure:		
Opening balance	-	81 408 523
Approved by Council	-	(81 408 523)
Unauthorised Expenditure awaiting authorisation	**-**	**-**

44.2 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful expenditure:		
Opening balance	35 839 929	35 338 187
Fruitless and Wasteful Expenditure current year	53 650	501 742
Expenditure investigated and approved by Council	(1 000 416)	-
Fruitless and Wasteful Expenditure awaiting write-off	**34 893 163**	**35 839 929**

Incident	Disciplinary Steps / Criminal Proceedings
Interest and penalties on late payment of trade creditors. - R53,650 (2018: R501,742)	*Currently None - subject to possible future investigation*

44.3 Irregular Expenditure

		Restated
Reconciliation of Irregular Expenditure:		
Opening balance	98 699 214	98 868 934
- As previously stated	98 699 214	98 868 934
Irregular Expenditure current year	7 660 307	2 399 573
- Current Year	7 660 307	2 399 573
Written off by Council	(36 425 426)	(2 569 294)
- Prior Year	(36 425 426)	(2 569 294)
Irregular Expenditure awaiting write-off	**69 934 096**	**98 699 214**

Incident	Disciplinary Steps / Criminal Proceedings
Invalid deviations - R2,191,131 (2018: R2,399,573)	*Still to be investigated.*
Expenditure Incurred in excess of contract award amount, in respect to the resealing of Roads. - R5,469,176 (2018: R0)	*Under Investigation by MPAC.*

45 ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

45.1 MUNICIPAL FINANCE MANAGEMENT ACT

45.1.1 Contributions to organised local government - SALGA

Opening Balance	-	-
Council Subscriptions	2 567 400	2 578 034
Amount Paid - current year	(2 567 400)	(2 578 034)
Amount Paid - previous years	-	-
Balance Unpaid (included in Creditors)	**-**	**-**

45.1.2 Audit Fees

Opening Balance	-	809 157
Current year Audit Fee	4 727 142	4 091 413
Amount Paid - current year	(4 727 142)	(4 900 570)
Amount Paid - previous years		
Balance Unpaid (included in Creditors)	**-**	**-**

45.1.3 VAT

The net of VAT input payables and VAT output receivables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.

45.1.4 PAYE, Skills Development Levy and UIF

Opening Balance	-	-
Current year Payroll Deductions	39 224 626	33 184 866
Amount Paid - current year	(39 224 626)	(33 184 866)
Balance Unpaid (included in Creditors)	**-**	**-**

45.1.5 Pension and Medical Aid Deductions

Opening Balance	-	-
Current year Payroll Deductions and Council Contributions	63 008 498	57 001 741
Amount Paid - current year	(63 008 498)	(57 001 741)
Balance Unpaid (included in Creditors)	**-**	**-**

45.1.6 Councillor's arrear Consumer Accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30 June 2019	**Total**	**Outstanding more than 90 days**
Councillor Februarie ER	136 085	136 085
Total Councillor Arrear Consumer Accounts	**136 085**	**136 085**

45.1.7 Non-Compliance with the Municipal Finance Management Act

No known matters existed at the reporting date.

45.1.8 Deviation from, and ratification of minor breaches of, the Procurement Processes

In terms of section 36(1) of the Municipal Supply Chain Management Policy approved by the Council, any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager, noted by Council and bids where the formal procurement processes could not be followed must be noted in the Annual Financial Statements.

The following deviations from the tender stipulations in terms of the Municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

30 June 2019

Department	Tenderer	Reason	Amount
Finance	Various (5)	Various reasons like impracticality/ urgency/ Continuity and alignment	436 988
Infrastructure & Engineering	Various (76)	Various reasons like impracticality/ urgency/ Preferred supplier	34 735 932
Corporate Services	Various (4)	Various reasons like impracticality/ urgency/ Sole Supplier	237 022
Office of MM	Various (6)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	349 257
Community Services	Various (35)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	8 646 986
Planning, Development & Tourism	Various (2)	Impracticality	212 290
		Total:	44 618 474

30 June 2018

Department	Tenderer	Reason	Amount
Finance	Various (3)	Various reasons like impracticality/ urgency/ Continuity and alignment	368 550
Infrastructure & Engineering	Various (66)	Various reasons like impracticality/ urgency/ Preferred supplier	8 653 678
Corporate Services	Various (7)	Various reasons like impracticality/ urgency/ Sole Supplier	255 125
Community Services	Various (15)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	952 809
Planning, Development & Tourism	Various (2)	Impracticality	95 543
		Total:	10 325 705

45.1.9 Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value
30 June 2019	Unaccounted Electricity Losses	28 653 364	1.1088	31 769 449
30 June 2018	Unaccounted Electricity Losses	21 681 312	1.0010	21 702 333

Electricity Losses occur due to *inter alia*, technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections). The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

	2019 R	2018 R
Volumes in kWh/year:		
System Input Volume	205 626 242	203 602 562
Billed Consumption	160 522 779	165 633 045
Unaccounted	45 103 464	37 969 517
Normal distribution losses - 8% of electricity purchases	16 450 099	(16 288 205)
	28 653 364	21 681 312
Percentage Distribution Loss	13.93%	10.65%

Water:

		Lost Units	Tariff	Value
30 June 2019	Unaccounted Water Losses	2 395 185	6.8000	16 287 258
30 June 2018	Unaccounted Water Losses	2 918 337	6.2700	18 297 975

Water Losses occur due to *inter alia*, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repaired as soon as they are reported.

	2019 R	2018 R
Volumes in Kl/year:		
System Input Volume	7 437 830	8 239 954
Billed Consumption	5 042 645	5 321 617
Distribution Loss	2 395 185	2 918 337
Percentage Distribution Loss	32.20%	35.42%

45.2 BROAD-BASED BALCK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

46 COMMITMENTS FOR EXPENDITURE

46.1 Capital Commitments

Commitments in respect of Capital Expenditure:		
- Approved and Contracted for:-	**117 567 900**	**54 598 299**
Infrastructure	112 182 669	44 956 275
Community	3 552 149	3 484 959
Other	1 833 083	6 157 066
This expenditure will be financed from:		
Internal and Grant funding	117 567 900	54 598 299
	117 567 900	**54 598 299**

The Capital Commitments are VAT inclusive.

47 FINANCIAL INSTRUMENTS

47.1 Classification

FINANCIAL ASSETS:
In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

Financial Assets	Classification		
Long-term Receivables			
Staff Related Long Term Receivables	Amortised cost	13 000	16 000
Receivables from Exchange Transactions			
Electricity	Amortised cost	32 434 811	21 331 364
Refuse	Amortised cost	1 602 661	(263 311)
Sewerage	Amortised cost	2 320 953	1 833 644
Other Service Charges	Amortised cost	1 079 398	14 969 536
Water	Amortised cost	10 841 381	7 710 665
Other Debtors	Amortised cost	140 060	2 518
Prepayments and Advances	Amortised cost	5 183 016	2 730 843
Control, Clearing and Interface Accounts	Amortised cost	490 922	518 922
Receivables from Non-exchange Transactions			
Property Rates	Amortised cost	20 056 493	19 826 082
Insurance Claims	Amortised cost	-	(197 344)
Fines	Amortised cost	11 066 356	5 620 106
LGSETA Interns	Amortised cost	-	1 216 938
Cash and Cash Equivalents			
Call Deposits	Amortised cost	200 626 600	90 054 858
Bank Balances	Amortised cost	13 600 946	4 259 846
Cash Floats and Advances	Fair value	421	421
Current Portion of Long-term Receivables			
Staff Related Long Term Receivables	Amortised cost	3 000	3 000

SUMMARY OF FINANCIAL ASSETS

Financial Assets at Amortised Cost:

Long-term Receivables	Staff Related Long Term Receivables	13 000	16 000
Receivables from Exchange Transactions	Electricity	32 434 811	21 331 364
Receivables from Exchange Transactions	Refuse	1 602 661	(263 311)
Receivables from Exchange Transactions	Sewerage	2 320 953	1 833 644
Receivables from Exchange Transactions	Other Service Charges	1 079 398	14 969 536
Receivables from Exchange Transactions	Water	10 841 381	7 710 665
Receivables from Exchange Transactions	Other Debtors	140 060	2 518
Receivables from Exchange Transactions	Prepayments and Advances	5 183 016	2 730 843
Receivables from Exchange Transactions	Control, Clearing and Interface Accounts	490 922	518 922
Receivables from Non-exchange Transactions	Property Rates	20 056 493	19 826 082
Receivables from Non-exchange Transactions	Insurance Claims	-	(197 344)
Receivables from Non-exchange Transactions	Fines	11 066 356	5 620 106
Receivables from Non-exchange Transactions	LGSETA Interns	-	1 216 938

Current Portion of Long-term Receivables	Staff Related Long Term Receivables	3 000	3 000
Cash and Cash Equivalents	Call Deposits	200 626 600	90 054 858
Cash and Cash Equivalents	Bank Balances	13 600 946	4 259 846
		299 459 598	169 633 667
Financial Assets at Fair Value:			
Cash and Cash Equivalents	Cash Floats and Advances	421	421
		421	421
Total Financial Assets		**299 460 019**	**169 634 088**

FINANCIAL LIABILITIES:
In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

Financial Liabilities	Classification		
Long-term Liabilities			
Development Bank of South Africa	Amortised cost	15 090 290	23 087 100
Finance Lease Liability	Amortised cost	1 264 119	513 296
Payables from Exchange Transactions			
Advance Payments	Amortised cost	14 956 402	16 129 451
Bonus	Amortised cost	-	(86 664)
Other Payables	Amortised cost	15 855 564	8 524 007
Retentions	Amortised cost	2 539 496	2 743 214
Salary Related Payables	Amortised cost	695 462	559 307
Trade Creditors	Amortised cost	53 335 629	42 845 910
Current Portion of Long-term Liabilities			
Development Bank of South Africa	Amortised cost	7 998 872	7 179 508
Finance Lease Liability	Amortised cost	1 067 666	1 764 527

SUMMARY OF FINANCIAL LIABILITIES

Financial Liabilities at Amortised Cost:			
Long-term Liabilities	Development Bank of South Africa	15 090 290	23 087 100
Long-term Liabilities	Finance Lease Liability	1 264 119	513 296
Payables from Exchange Transactions	Advance Payments	14 956 402	16 129 451
Payables from Exchange Transactions	Bonus	-	(86 664)
Payables from Exchange Transactions	Other Payables	15 855 564	8 524 007
Payables from Exchange Transactions	Retentions	2 539 496	2 743 214
Payables from Exchange Transactions	Salary Related Payables	695 462	559 307
Payables from Exchange Transactions	Trade Creditors	53 335 629	42 845 910
Current Portion of Long-term Liabilities	Development Bank of South Africa	7 998 872	7 179 508
Current Portion of Long-term Liabilities	Finance Lease Liability	1 067 666	1 764 527
		112 803 501	103 259 657
Total Financial Liabilities		**112 803 501**	**103 259 657**

47.2 Fair Value

The following methods and assumptions were used to estimate the Fair Value of each class of Financial Instrument for which it is practical to estimate such value:

Cash
The carrying amount approximates the Fair Value because of the short maturity of these instruments.

Long-term Investments
The Fair Value of some Investments are estimated based on quoted market prices of those or similar investments. Unlisted Equity Investments are estimated using the discounted cash flow method.

Loan Receivables/Payables
Interest-bearing Borrowings and Receivables are generally at interest rates in line with those currently available in the market on a floating-rate basis, and therefore the Fair Value of these Financial Assets and Liabilities closely approximates their carrying values. Fixed interest-rate instruments are fair valued based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and Other Receivables/Payables

The Fair Value of Trade and Other Payables is estimated at the present value of future cash flows.

The management of the municipality is of the opinion that the carrying value of Trade and Other Receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values. The Fair Value of Trade Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

Other Financial Assets and Liabilities

The Fair Value of Other Financial Assets and Financial Liabilities (excluding Derivative Instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Long-term Liabilities

The Fair Value of Long-term Liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Management considers the carrying amounts of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements to approximate their Fair Values on 30 June 2019, as a result of the short-term maturity of these assets and liabilities.

The Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30 June 2019		30 June 2018	
	Carrying Amount R	Fair Value R	Carrying Amount R	Fair Value R
FINANCIAL ASSETS				
Measured at Amortised Cost:	299 459 598	299 459 598	169 633 667	169 633 667
Long-term Receivables	13 000	13 000	16 000	16 000
Receivables from Exchange Transactions	54 093 203	54 093 203	48 834 181	48 834 181
Receivables from Non-exchange Transactions	31 122 849	31 122 849	26 465 782	26 465 782
Current Portion of Long-term Receivables	3 000	3 000	3 000	3 000
Call Deposits	200 626 600	200 626 600	90 054 858	90 054 858
Bank Balances	13 600 946	13 600 946	4 259 846	4 259 846
Measured at Fair Value	421	421	421	421
Cash and Cash Equivalents	421	421	421	421
Total Financial Assets	299 460 019	299 460 019	169 634 088	169 634 088
FINANCIAL LIABILITIES				
Measured at Amortised Cost:	112 803 501	112 803 501	103 259 657	103 259 657
Development Bank of South Africa	15 090 290	15 090 290	23 087 100	23 087 100
Finance Lease Liability	1 264 119	1 264 119	513 296	513 296
-Payables from Exchange Transactions	87 382 553	87 382 553	70 715 226	70 715 226
-Current Portion of Long-term Liabilities	9 066 539	9 066 539	8 944 035	8 944 035
Bank Overdraft	-	-	-	-
Total Financial Liabilities	112 803 501	112 803 501	103 259 657	103 259 657
Total Financial Instruments	186 656 518	186 656 518	66 374 431	66 374 431
Unrecognised Gain / (Loss)		-		-

No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

Level 1:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-

Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-

Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

47.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2018.

The capital structure of the municipality consists of debt, which includes Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 20 and the Statement of Changes in Net Assets.

	2019 R	2018 R
Gearing Ratio		
The gearing ratio at the year-end was as follows:		
Debt	25 420 948	32 544 431
Net Debt	25 420 948	32 544 431
Equity	2 190 611 741	2 131 472 850
Net debt to equity ratio	**1.16%**	**1.53%**

Debt is defined as Long-term Liabilities, together with its Short-term Portion.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

47.4 Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Further quantitative disclosures are included throughout these Annual Financial Statements.

47.5 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk
Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings in Financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit Risk
Credit Risk is the risk of financial loss to the municipality if a customer or counterparty to a Financial Instrument fails to meet its contractual obligations and arises principally from the municipality's receivables from customers and investment securities.

Liquidity Risk
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 47.7 to the Annual Financial Statements.

47.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 47.7 below). No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

47.6.1 Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

47.6.2 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer Deposits are increased accordingly.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

47.7 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents
The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables
Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Payment of accounts of consumer debtors, who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Long-term Receivables	16 000	19 000
Receivables from Exchange Transactions	165 551 604	141 782 964
Receivables from Non-exchange Transactions	88 823 668	71 483 054
Bank, Cash and Cash Equivalents	214 227 967	94 315 125
Maximum Credit and Interest Risk Exposure	**468 619 238**	**307 600 143**

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

Bank and Cash Balances		
Current Investments	200 626 600	90 054 858
Bank Accounts	13 600 946	4 259 846
Cash Equivalents	421	421
Total Bank and Cash Balances	**214 227 967**	**94 315 125**

Credit quality of Financial Assets:
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Long-term Receivables		
Group 3	16 000	19 000
Total Long-term Receivables	**16 000**	**19 000**
Receivables from Exchange Transactions		
Counterparties without external credit rating:-		
Group 2	22 206 765	45 563 313
Total Receivables from Exchange Transactions	**22 206 765**	**45 563 313**
Receivables from Non-exchange Transactions		
Group 1	15 356 337	10 522 398
Total Receivables from Non-exchange Transactions	**15 356 337**	**10 522 398**

	2019	2018
	R	R

48 MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.
All councillors belong to the Pension Fund for Municipal Councillors.
Employees belong to a variety of approved Pension and Provident Funds as described below.
These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-
(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.
The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R3,083,000 (2018: R8,635,000) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.
The total expense recognised in the Statement of Financial Performance of R3,083,000 (2018: R8,635,000) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. As at 30 June 2019, contributions of R8 000 (30 June 2018: R8 000) due in respect of the 2018/19 (2017/18) reporting period had not been paid over to the plans. The amounts were paid over subsequent to the reporting date (see Note 45.5).

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

DEFINED BENEFIT SCHEMES
Government Employees Pension Fund (GEPF):
The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: deficit of R12,8) million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Employees Pension Fund:
The scheme is subject to a tri-annual actuarial valuation. The last statutory valuation was performed as at 28 February 2014.

The net assets available for benefits were R5 715 557 193.
The statutory valuation performed as at 28 February 2014 revealed that the net assets of the fund were R0,0 (28 February 2011: R552,8) million, with a funding level of 100,0% (28 February 2011: 107,9%). The contribution rate paid by the members (7,50%) and Council (15,00%, 18,00% and 22,00%) is not sufficient to fund the benefits accruing from the fund in the future and there is a shortfall in the future employer contribution rate of 12,80% (28 February 2011: 8,10%).

The fund is closed for membership and no new members are allowed to join the fund.

No further information could be obtained.

National Fund for Municipal Workers - Pension Fund:
The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.
Category C-Members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.
The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R10,050,029,000 (30 June 2014 : R9,031,759,000), with funding levels of 100.42% (30 June 2014: 100.10%). The actuary certified that the assets of the fund are sufficient to cover 100.42% of the members' liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.

Joint Municipal Pension Fund (previously Transvaal Municipal Pension Fund)**:**
The scheme is subject to a bi-annual actuarial valuation. The last statutory valuation was performed as at 30 September 2007.

The statutory valuation performed as at 30 September 2007 revealed that the fund had a surplus of R82,1 (31 December 2005: shortfall of R44,2) million, with a funding level of 123,7% (31 December 2005: unknown). The contribution rate paid by the members (9,00%) and municipalities (22,00%) has a shortfall of 0,90%, but can be covered by the available margin in the fund.
The last valuation performed for the period ended 31 March 2006 revealed that the fund had a shortfall of R205 million, with a funding level of 83%. This will be taken into account in determining future surcharges, to be met by increased employer contributions. These surcharges are as follows:
- From 1 July 2006 14%
- From 1 July 2007 17%

The above-mentioned surcharge is payable until 1 July 2010. This position will be monitored on an annual basis.

	2019	2018
	R	R

The fund is closed for membership and no new members are allowed to join the fund.

No information could be obtained.

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund:

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

Defined Benefit Scheme
The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2012 disclosed an actuarial valuation amounting to R3 014 878 (2011: R2 971 150) million, with a net accumulated deficit of R18 287 (2011: R58 935) million, with a funding level of 99.4% (2011: 104.1%).
Defined Contribution Scheme
The actuarial valuation report at 30 June 2012 indicated that the defined contribution scheme of the fund is in a sound financial position, with a assets amounting to R 421 900 (2011: R386 570) million, net investment reserve of R21 231 (2011: R15 285) million and a funding level of 105.3% (2011: 104.1%).

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Cape Joint Retirement Fund:

The scheme is subject to an annual actuarial valuation which is not the responsibility of the Municipality. The last statutory valuation was performed as at 30 June 2012.

The statutory valuation performed as at 30 June 2012 revealed that the assets of the fund amounted to R10 775 599 and R546 059 (30 June 2011: R9 930,837 in total) million, with funding levels of 99.9% and 108% (2011: 100,3% and 116,9%) for the Share Account and the Pensions Account respectively. The contribution rate paid by the members (7,50%) and the municipalities (19,50%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Councillors Pension Fund:
The Municipal Councilors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Acturay certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assests of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months;.

National Fund for Municipal Workers - Provident Fund:
The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%.From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948.000 (30 June 2011 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%.The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

None of the above mentioned plans are State Plans.

49 RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

49.1 Compensation of Related Parties

Name of Related Person	Designation	Description of Related Party Relationship	2019	2018
S. Meleni	Official	Wife of councillor Meleni	281 045	266 195

49.2 Purchases from Related Parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company Name	Related Person	Municipal Capacity	Nature of relationship	Purchases for the Year	Purchases for the Year
Central Bridge Trading 436 CC	Z. Tshume	Official	Wife of the director	560 128	187 781
Faulkner Bouers	B. Faulkner	Official	Director is the uncle of this employees	61 200	82 250
Kwa Nandipha Catering	P. Dondashe	Official	Husband of director	28 280	41 632
Algoatime	J. Beda	Official	Husband of the director	20 100	125 458
Amahle Waste Recycling	NI Dela (Emp 1959)	Ward Committee Member	NI Dela is the director/owner of the company	7 020	30 700
Mesrazest	J Hammond	Official	Brother in Law of Director	673 940	277 230
Infraforce Africa (Pty) Ltd	E. Sekula	Official	Owner was employed at KLM	165 955	254 795
Mgqandu & Coco Trading	C. Mgqandu	Official	Husband of Director	282 247	75 480
21st Century Contractors & Transport	S. Prinsloo	Official	Wife of Director	-	39 174
GGS Engineering	J. Nhlangulela	Official	Director	234 591	-
Malubongwe General Trading (Pty) Ltd	H. U. Geleba	Official	Husband of Director	55 095	-
JZA Trading (Pty) Ltd	K. Vumazonke	Official	Niece of Director	28 600	-
Total Purchases				**2 117 156**	**1 114 499**

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

	2019 R	2018 R

50 CONTINGENT LIABILITIES

Contingent Liabilities arose due to various claims brought against the Municipality. The attorneys suggested that the matters will be defended, due to the circumstances of each.

The likelykood of succesfully defending the claims, as well as the timing and possible costs thereof cannot be determined at this time.

	2019 R	2018 R
50.1 Court Proceedings:	**59 527 851**	**34 235 243**
(i) EA Plaatjies / Kouga Local Municipality: A civil litigation action has been instituted against Kouga Municiplaity by the Plaintiff for payment of damages relating to a diving incident at a dam in Kruisfontein, Humansdorp for an amount of R12 million.	12 000 000	12 000 000
(ii) Tauris Garden CC: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	1 800 000	
(iii) Peter John France & Gerald Jack Friedman Trustees of The Rental Company Trust: Claim defended on behalf of Kouga. Currently preparing for trial.	4 000 000	
(iii) Nelson Mandela Bay Metropolitan Municipality alleged claim in respect of Water Consumption. NMBM instituted action against Kouga Municipality in respect of an alleged claim of approximately R41 million in respect of water consumption.	41 000 000	
(iv) Various claims arising from alleged negligence by the Municipality due to damages sustained by the Plaintiffs.:		1 735 243
(v) Various claims due to municipal administrative matters under dispute or investigation:	727 851.39	20 500 000

51 CONTINGENT ASSETS

	2019 R	2018 R
51.1 Insurance Claims:	**197 655**	**1 285 896**
(i) Lost / Damaged Assets: The municipality has claims outstanding against its Insurers for lost and/or damaged assets. The management believe that it is probable that the claims will be successful and that compensation of R197,655 (2018: R1,285,896) will be recovered.	197 655	1 285 896

52 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any In-kind Donations and Assistance during the year under review.

53 PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

54 EVENTS AFTER THE REPORTING DATE

On 30 October 2019, Council approved a write-off of irregular expenditure amounting to R1 144 228, incurred for the period 1 July 2010 to 30 June 2011, in accordance with section 32 (2)(b) of the MFMA.

On 30 October 2019, Council approved a write-off of Fruitless and Wasteful expenditure amounting to R1 615 732, incurred for the period 1 July 2010 to 30 June 2011, in accordance with section 32 (2)(b) of the MFMA.

55 COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of the implementation of MSCOA, and Prior Period Errors (Note 42).

56 GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

(i) On 30 May 2019 the Council adopted the 2019/20 to 2021/22 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

(ii) The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.

(iii) Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

(iv) As the municipality has the power to levy fees, tariffs and charges, this will result in an on-going inflow of revenue to support the on-going delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.