



KOUGA

local municipality

Good Governance through Service Excellence

SPECIAL COUNCIL MEETING

AGENDA

Date	:	31 March 2021
Time	:	10:00
Venue	:	Virtual Meeting

KOUGA MUNICIPALITY (EC108) <u>NOTICE CONVENING A MEETING</u> NOTICE IS HEREBY GIVEN in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Council Meeting will be held on <u>DATE:</u> 31 March 2021 <u>TIME:</u> 10:00  <u>H. BORNMAN</u> SPEAKER	UMASIPALA I-KOUGA (EC108) <u>ISAZISO NGENTLANGANISO</u> OKU KUKWAZISA malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigagqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile <u>UMHLA:</u> 31 EyoKwindla 2021 <u>IXESHA:</u> 10:00  <u>H. BORNMAN</u> USOMLOMO	MUNISIPALITEIT KOUGA (OK108) <u>KENNISGEWING VAN VERGADERING</u> KENNIS GESKIED HIERMEE ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywigheide En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op <u>DATUM:</u> 31 Maart 2021 <u>TYD:</u> 10:00  <u>H. BORNMAN</u> SPEAKER
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Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**

8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **DECLARATION OF INTEREST**

10. **STATUTORY MATTERS**

11. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

12. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

21/03/MM1 Kouga Municipality: 2nd Draft Annual Report (2019/2020)

Pages 7-423

21/03/MM2 Review of the Draft IDP for 2021/22
(To be distributed under separate cover)

21/03/MM3 Service Delivery and Budget Implementation Plan: 2019/20 Financial Year: Amendment of SDBIP Targets following the Mid-Year Performance Assessment
(To be distributed under separate cover)

Pages 424-425

21/03/MM4 Draft Service Delivery and Budget Implementation Plan: 2021/22

Pages 426-448

13. **REPORTS BY THE EXECUTIVE MAYOR**

14. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

14.1 **REPORT BY THE PORTFOLIO CHAIRPERSON: FINANCE**

21/03/F1 Draft Annual Budget for 2021/22
(To be distributed under separate cover)

14.2 **REPORT BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES**

21/03/CORP1 Acting Policy: Section 57 Managers

Pages 450-453

21/03/CORP2 Cell Phone Policy and Cell Phone Allowance Scheme
(To be distributed under separate cover)

14.3 **REPORT BY THE PORTFOLIO CHAIRPERSON: INFRASTRUCTURE AND ENGINEERING**

21/03/I&E1 Application for Donation by the Gamtoos Irrigation Board

Pages 445-460

14.4 **REPORT BY THE PORTFOLIO CHAIRPERSON: COMMUNITY SERVICES**

21/03/CS1 Land/ Plot / Public Open Space Clearing Policy

Pages 462-480

14.5 **REPORT BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT**

21/03/PD1 Transfer of Residential Site: Historic Condition of Sale: Erf 1331 Pellsrus: Pienaar Family

Pages 482-491

21/03/PD2 Request for Long-Term Lease Agreement Between Kouga Municipality and M&J Enterprise: Erf 2094, Humansdorp

Pages 492-505

21/03/PD3 Application to Purchase a Portion of Erf 552 Sea Vista (Mr. M. Johansens)

Pages 506-512

21/03/PD4 Long-Term Lease Agreement: Erf 873, Jeffreys Bay: Jeffreys Bay Golf Club

Pages 513-529

15. **CLOSURE**

Distribution list:

Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MATTERS DEALT
WITH IN TERMS OF
DELEGATED
AUTHORITY BY THE
EXECUTIVE
MAYOR

REPORTS BY
THE
OFFICE OF THE
MUNICIPAL
MANAGER

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

OFFICE OF THE MUNICIPAL MANAGER

DATE: 31 MARCH 2021

ITEM NO: 21/03/MM1

KOUGA MUNICIPALITY: 2ND DRAFT ANNUAL REPORT (2019/2020)

1. Introduction

In terms of the provisions of Section 127(2) of the Municipal Finance Management Act 56 of 2003, the Mayor of a municipality must submit the annual report to the municipal council within seven (7) months of the end of the financial year.

In terms of the provisions of MFMA Circular 104 dated 7 August 2020 Ministerial exemption was granted and the submission date of the 2nd draft of the Annual Report has now been set at 31 March 2021 with the final submission in terms of the provisions of Section 129(1) now set at 31 May 2021.

The first draft of the 2019/20 Annual Report is herewith submitted to Council for consideration.

2. Legislative provisions

Section 121(3) of the Local Government Municipal Finance Management Act, 56 of 2003 provides as follows:

“(3) *The annual report of a municipality must include—*

- (a) *the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);*
- (b) *the Auditor-General's audit report in terms of section 126(3) on those financial statements;*
- (c) *the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;*
- (d) *the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;*
- (e) *an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;*
- (f) *an assessment by the municipality's accounting officer of the municipality's performance against the measurable Performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;*

- (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
- (i) any information as determined by the municipality;
- (j) any recommendations of the municipality's audit committee; and
- (k) any other information as may be prescribed."

Section 127(2) of the Municipal Finance Management Act, 56 of 2003 provides as follows:

- (2) *The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.*

Section 130 of the Municipal Finance Management Act, 56 of 2003 provides as follows:

"Council meetings open to public and certain public officials

- 130. (1) *The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—*
 - (a) *for the discussion of any written submissions received from the local community or organs of state on the annual report; and*
 - (b) *for members of the local community or any organs of state to address the council.*
- (2) *Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).*
- (3) *This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3)."*

Section 127(5) of the Municipal Finance Management Act, 56 of 2003 provide as follows:

- (5) *Immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must—*
 - (a) *in accordance with section 21A of the Municipal Systems Act—*
 - (i) *make public the annual report; and*

- (ii) *invite the local community to submit representations in connection with the annual report; and*
- (b) *submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.*

3. Comment

It must be noted that the report by the Auditor General could not be included in the first draft of the Annual Report for reason that the Auditor General has given an indication that the 2019/20 Audit Report shall only be made available on 31 March 2021. The Annual Report shall be updated with the AG Report and Audit Corrective Action Plan on receipt of the AG Report.

4. Recommendation

- 4.1 That the 2nd Draft Kouga Municipality Annual Report for the 2019/2020 be noted in terms of the provisions of Section 127 (2) of the Local Government Municipal Finance Management Act, 56 of 2003.
- 4.2 That the Municipal Manager be authorized to update the 2nd Draft 2019/20 Annual Report with the report by the Auditor General on the 2019/20 audit and by the insertion of the Audit Corrective Action Plan prior to the submission thereof to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs.
- 4.3 That the Municipal Manager submit copies of the minutes of the meeting of Council where the 2nd Draft of the 2019/20 Annual Report was noted, to the Auditor General, Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs as required in terms of the provisions of Section 127(5)(b) of the Local Government Municipal Finance Act, 56 of 2003.
- 4.4 That the Municipal Manager, in terms of the provisions of Sections 127(5)(a)(ii) and (ii) make public the 2nd Draft 2019/20 Annual Report and invite submissions from the local community on the Draft Annual Report.
- 4.5 That the 2nd Draft 2019/20 Annual Report be published on the Kouga Website.
- 4.6 That the Municipal Public Accounts Committee conduct the required oversight on the 2nd Draft 2019/20 Annual Report and submit an Oversight Report to Council as required in terms of the provisions of Section 129 of the Local Government Municipal Finance Management Act, 56 of 2003.

Item prepared by

A Koegelenberg

: Manager: Performance Management Systems

Item approved by

: The Municipal Manager

KOUGA MUNICIPALITY

2ND DRAFT

2019/20

ANNUAL REPORT

TABLE OF CONTENTS

CHAPTER 1:	MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A:	MAYOR'S FOREWORD	7
COMPONENT B:	EXECUTIVE SUMMARY	9
1.1	MUNICIPAL MANAGER'S OVERVIEW	9
1.2	MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.3	SERVICE DELIVERY OVERVIEW	13
CHAPTER 2:	GOVERNANCE	18
COMPONENT A:	POLITICAL AND ADMINISTRATIVE GOVERNANCE	20
2.1	POLITICAL GOVERNANCE	20
2.2	ADMINISTRATIVE GOVERNANCE	26
COMPONENT B:	INTERGOVERNMENTAL RELATIONS	27
2.3	INTERGOVERNMENTAL RELATIONS	27
COMPONENT C:	PUBLIC ACCOUNTABILITY AND PARTICIPATION	29
2.4	PUBLIC MEETINGS	29
2.5	COMMUNICATION: WEB SITE	30
2.6	PUBLIC SATISFACTION	31
2.7	IDP PARTICIPATION AND ALIGNMENT	33
COMPONENT D:	CORPORATE GOVERNANCE	42
2.8	TARGETS AND ACHIEVEMENTS	42
2.9	BY-LAWS AND POLICIES	49
2.10	HUMAN RESOURCES	50
2.10.1	HEADCOUNT STATISTICS	51
2.10.2	SERVICE STATISTICS	52
2.10.3	WORKPLACE CAPACITY DEVELOPMENT	53
2.10.4	ACTING APPOINTMENTS	55
2.10.5	VACANCY RATE	56
2.10.6	EMPLOYMENT EQUITY	56
2.10.7	LEAVE STATISTICS	59

2.10.8	DISCIPLINARY MATTERS	59
2.11	OCCUPATIONAL HEALTH AND SAFETY	60
2.12	MANAGING THE MUNICIPAL WORKFORCE	62
2.13	WORKFORCE EXPENDITURE	63
2.14	LEGAL SERVICES	66
CHAPTER 3: SERVICE DELIVERY PERFORMANCE		67
DIRECTORATE INFRASTRUCTURE AND ENGINEERING		67
COMPONENT A: BASIC SERVICES		67
3.1	PROVISION OF WATER	67
3.2	SANITATION (WASTEWATER) PROVISION	69
3.3	ELECTRICITY	72
3.4	ROADS	74
3.5	MUNICIPAL INFRASTRUCTURE GRANT IMPLEMENTATION	80
3.6	EXTENDED PUBLIC WORKS PROGRAM	83
3.7	MUNICIPAL WORKSHOP	84
DIRECTORATE COMMUNITY SERVICES		97
3.8	ENVIRONMENTAL MANAGEMENT: WASTE MANAGEMENT	97
3.8.1	WASTE MANAGEMENT	97
3.8.1.1	REFUSE COLLECTION	101
COMPONENT D: COMMUNITY AND SOCIAL SERVICES		108
3.9	LIBRARIES AND COMMUNITY FACILITIES	108
3.9.1	LIBRARIES	108
3.9.2	PARKS AND OPEN SPACES	110
3.9.3	CEMETERIES	112
COMPONENT E: ENVIRONMENTAL PROTECTION		114
3.11	ENVIRONMENTAL MANAGEMENT	114
3.11.1	ENVIRONMENTAL PROTECTION	116
3.11.2	POLLUTION CONTROL	117
3.11.3	BIODIVERSITY PROTECTION	117

3.11.4	COASTAL MANAGEMENT	118
3.12	ENVIRONMENTAL HEALTH	120
COMPONENT G: SAFETY AND SECURITY		130
3.13	FIRE AND RESCUE SERVICES	130
3.14	DISASTER MANAGEMENT	137
3.15	SAFETY AND SECURITY	143
3.16	TRAFFIC LAW ENFORCEMENT	144
3.16.1	REGISTRATION AND LICENSING	146
3.17	SECURITY AND LAW ENFORCEMENT	149
3.17.1	SECURITY	149
3.17.2	LAW ENFORCEMENT	150
COMPONENT H: SPORTS AND RECREATION		152
3.18	CARAVAN PARKS AND CAMPING	152
3.19	SPORTS AND RECREATION	153
3.10	BEACHES AND ABLUTION FACILITIES	160
DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM		160
COMPONENT I: PLANNING AND DEVELOPMENT		160
3.21	SPATIAL PLANNING	160
3.22	LOCAL ECONOMIC DEVELOPMENT	166
3.23	TOURISM	171
3.24	HOUSING	186
CHAPTER 4: FINANCIAL PERFORMANCE : DIRECTORATE FINANCE		188
COMPONENT A: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		188
4.1	FINANCIAL HEALTH OVERVIEW	188
4.1.1	STATEMENT OF FINANCIAL PERFORMANCE	188
4.1.2	STATEMENT OF FINANCIAL POSITION	194
4.1.3	FINANCIAL INDICATORS	196
4.1.3.1	CAPITAL CHARGES TO OPERATING EXPENDITURE	198

4.1.3.2	BORROWED FUNDING OF CAPITAL EXPENDITURE	199
4.1.3.3	DEBT SERVICING COST TO OPERATING REVENUE RATIO	199
4.1.3.4	CURRENT RATIO	199
4.1.3.5	LIQUIDITY RATIO	200
4.1.3.6	ANNUAL DEBTORS COLLECTION RATE	200
4.1.3.7	COST COVERAGE	202
4.1.3.8	EMPLOYEE COSTS AS A % OF TOTAL OPERATING EXPENDITURE	203
4.1.3.9	REPAIRS AND MAINTENANCE AS A % OF TOTAL OPERATING EXPENDITURE	203
4.1.3.10	REPAIRS AND MAINTENANCE AS A % OF THE BOOK VALUE OF PPE	204
4.1.2.11	OWN REVENUE GENERATION	205
4.1.3.12	CAPITAL BUDGET SPENDING	206
4.1.3.13	ARREARS IN PROPERTY RATES AND SERVICE CHARGES	206
COMPONENT B: OTHER FINANCIAL MATTERS		206
4.2	SUPPLY CHAIN MANAGEMENT	206
4.3	RISK MANAGEMENT	238
4.4	FRAUD AND ANTI-CORRUPTION	239
4.5	ICT GOVERNANCE	240
CHAPTER 5: PERFORMANCE MANAGEMENT		241
COMPONENT A: INSTITUTIONAL PERFORMANCE		241
COMPONENT B: INSTITUTIONAL PERFORMANCE AS PER COGTA INDICATORS		287
COMPONENT C: INDIVIDUAL PERFORMANCE		294
CHAPTER 6: AUDITOR GENERAL FINDINGS		296
COMPONENT A: AUDITOR GENERAL OPINION ON FINANCIAL STATEMENTS		296
6.1	AUDITOR GENERAL REPORT	296
6.2	AUDIT ACTION PLAN ON AUDITOR GENERAL REPORT	296
APPENDICES		297
APPENDIX A	COUNCILORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	297
APPENDIX B	COMMITTEE AND COMMITTEE PURPOSE	298
APPENDIX C	ADMINISTRATIVE STRUCTURE	302

APPENDIX D	FUNCTIONS OF THE MUNICIPALITY	303
APPENDIX E	WARD REPORTING	305
APPENDIX F	WARD INFORMATION	307
APPENDIX G	RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE	308
APPENDIX H	LONG TERM CONTRACTS	309
APPENDIX I	MUNICIPAL SERVICE PROVIDER PERFORMANCE	309
APPENDIX J	DISCLOSURE OF FINANCIAL INTEREST	309
APPENDIX K	REVENUE COLLECTION PERFORMANCE	310
APPENDIX K(i)	REVENUE BY VOTE	310
APPENDIX K(ii)	REVENUE BY SOURCE	310
APPENDIX L	CONDITIONAL GRANT EXPENDITURE (EXCL MIG)	311
APPENDIX M	CAPITAL EXPENDITURE	311
APPENDIX N	CAPITAL PROGRAM BY PROJECT	313
APPENDIX O	CAPITAL PROGRAM BY PROJECT BY WARD	316
APPENDIX P	SERVICE BACKLOGS AT SCHOOLS AND CLINICS	316
APPENDIX Q	SERVICE BACKLOGS WHERE OTHER SPHERES OF GOVERNMENT IS RESPONSIBLE FOR SERVICE DELIVERY	316
APPENDIX S	DECLARATION OF RETURNS NOT MADE UNDERS SECTION 71 OF THE MFMA	317
APPENDIX T	NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	317
APPENDIX U	ANNUAL FINANCIAL STATEMENTS	317

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR: COUNCILOR HORATIO HENDRICKS



It is an honour to present the Annual Report of Kouga Municipality for the 2019/20 financial year.

2019/2020 was a year filled with turbulence and triumph.

Worldwide it will be remembered for one of the biggest international health crises in more than a century, with the COVID-19 pandemic ravaging lives and economies across the globe.

Kouga was not immune to the devastation, but what stood out was how all sectors of our community took hands to help steer our region and people safely through the storm. It once again showed how resilient and caring the people of Kouga are.

The municipality played a critical role in keeping Kouga on course through the storm, taking on far more than its mandated duty.

A homeless shelter was established in Jeffreys Bay where up to 80 destitute men, women and children were cared for during the nationwide COVID-19 lockdown while some 15 000 food parcels were distributed to families whose income had been affected. This amounted to almost 200 tons of food at a cost of R4,5 million.

I would like to thank our local business sector and community partners, as well as other spheres of government, for taking hands with the municipality to make this possible.

Despite the challenges brought about by the COVID-19 lockdown, service delivery and infrastructure improvements in the Kouga region surged ahead during 2019/20.

These improvements were guided by the six narratives announced in the 2020 State of the Municipality Address, namely: Keep Kouga Serviced, Keep Kouga Clean, Keep Kouga Green, Keep Kouga Safe, Keep Kouga Smart, and Keep Kouga Growing.

Service highlights over the past year included the official opening of two state-of-the-art wastewater treatment works at Kruisfontein in Humansdorp and Sea Vista in St Francis Bay.

The electricity network was also expanded to give 100 more families access to power for the first time.

Augmenting the water supply amidst the prolonged drought remained a priority, with the R151-million drought-relief projects moving steadily forward despite delays caused by the lockdown. These projects

include the upgrade of the Jeffreys Bay Water Treatment Plant and bringing new boreholes on line at Hankey, Patensie and Humansdorp.

Good progress was further made in addressing the R500-million backlog in road maintenance, with R25 million being spent on resurfacing roads and more than 24 000 potholes being filled during 2019/20.

We also had the privilege of officially opening Africa's first-eco-friendly road, incorporating waste plastic.

Kouga was the runner-up in the 2019/20 East Cape Greenest Municipality in recognition of our ongoing commitment towards sustainable development. Other successes included the retrofitting of 1 000 streetlights and floodlights with energy-saving LED bulbs and the launch of the Green School Competition and Ambassador Programme.

As part of our campaign to keep Kouga clean a further 10 000 wheelie bins were distributed to households for free. Community facilities were also upgraded and new bush and grass-cutting equipment procured to help keep road verges and public spaces neat and trim.

The COVID-19 lockdown accelerated the digitalization of the municipality. Councilors and officials were trained in using virtual platforms for meetings and I would like to congratulate all those involved on adapting so quickly to this new way of conducting business.

An online portal was also launched for the submission and approval of building plans.

In closing, I would like to thank all councilors, officials, sector departments, stakeholder groups and residents who contributed to the development of the Kouga region during this past year.

While we faced tremendous turbulence, we once again showed that, as a region, we are strong enough to overcome adversity and achieve our vision of "Good Governance through Service Excellence".



H. HENDRIKS
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER: CHARL DU PLESSIS



The Kouga Municipality Annual Report for 2019/20 financial year reflects a good year for service delivery as well as financial management despite the disruptive effect of Covid-19 lockdown measures on the Municipality.

The difficult financial circumstances our clients experienced during the 5-week period hard lockdown when many businesses could not operate and many families could not earn an income, saw the payment rate on accounts fall to 77% for April 2020 from the previous months 98%.

Uncertainty as to what impact the Covid-19 pandemic would have on the future cash flow of the municipality forced the municipality to take immediate steps to curtail expenditure to protect future cash flow.

These steps as well as achieving an overall payment rate of just below the original target of 96% for the financial year, placed the Kouga Municipality in a strong position to whether the effect of the economic downturn on the financial position of Kouga Municipality.

The hard lockdown and subsequent infection rate of Covid-19 on construction teams, delayed the completion of major capital projects when construction teams had to be isolated. Good progress was made with the drought relief projects and it is foreseen that these projects will be commissioned from September 2020 and will provide relief for the drought situation in Kouga Municipality.

The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As at 30 June 2020, the call-center recorded 40 968 calls for the 19/20 Financial Year.

Municipal office buildings, community halls and public buildings received substantial maintenance upgrades while emphasis was placed on resurfacing streets in poor condition in all our towns.

The municipal fleet was enhanced with the ordering of new vehicles and the refurbishment of many other vehicles. Two new fire trucks were ordered to reinforce the equipment needed to provide efficient firefighting services.

The impact of the Covid-19 on the institutional service delivery was mitigated by the implementation of a comprehensive risk mitigation strategy adopted by management and implemented by Kouga Municipality occupational health and safety representatives.

All essential services were delivered even during hard lockdown level 5.

A total of 675 employees went for medical surveillance screening during the reporting period while 55 COVID 19 tests have been conducted on Municipal Employees during the reporting period. A total of 17

employees tested positive as of 30 June 2020. One employee sadly passed away from COVID-19 at the end of June 2020.

The CFO of Kouga Municipality resigned towards the end of 2019 to take up the position of CFO of the Nelson Mandela Metro and was replaced with the recruitment of Mr. Riaaz Lorgat previously CFO of the Sarah Baartman District Council. All senior management positions of Kouga Municipality have been filled. The vacancy rate in Kouga Municipality has seen a steady decrease from June 2016, where it stood at 12%, to 1,10% of budgeted positions in June 2020. With regard to our human resource management I would like to emphasize the following achievements:

- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.

Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record R 2 041 094 spent on capacitating employees.

Corporate governance in Kouga Municipality has been functioning effectively with Council, the Mayoral Committee and Port-Folio Committees meeting regularly and doing oversight. The Audit Committee and the Performance Audit Committee supported by fully functional internal audit unit has been meeting quarterly and the Municipal Public Accounts Committee had a full schedule of meetings to dispense of its duties. Performance Management was fully effective during the financial year and quarterly performance evaluation meetings were held with senior management.

I would like to express my appreciation to my senior management team and staff members for their continuous hard work and effort to continue to improve on our service delivery to our communities. I also want to thank the Executive Mayor Cllr. Horatio Hendricks and his Mayoral Committee for their support and commitment during the financial Year.



Charl du Plessis: Municipal Manager

1.2 MUNICIPAL FUNCTIONS, 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	Integrity	Professionalism
Transparency	Consistency	People-centered Accountability
Accessibility	Equality	Batho Pele

FUNCTIONS - In terms of Circular 8/2009: Adjustment of Powers and Functions between District and Local Municipalities, 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

- Commissioning of Sea Vista wastewater treatment works. .(MIG funding)
- Commissioning of Kruisfontein wastewater treatment works (MIG funding)
- Fencing of Kruisfontein wastewater treatment works.
- Fencing and gates at Loerie sewer pump station.
- Fencing and gates at Jeffreys Bay Water reservoirs.
- Fencing and gates at Hankey water treatment plant.
- Provision of concrete sidewalk along Booyce str Arcadia Humansdorp.
- Completion of Northern Bulk outfall sewer in Wavecrest Jeffreys Bay.
- Replacement of waterline in Protea str Boskloof Humansdorp.
- Erection of new elevated steel water tank at Jeffreys Bay water treatment works. (Drought funding)
- Erection of new elevated steel water tank at Kruisfontein. (Drought funding)

- Equipping and commissioning of boreholes Jeffreys Bay. (Drought funding)
- Replacement of old water reticulation network Hankey town. (Drought funding)
- Replacement of main water line from water reservoirs to Ramaphosa Village. (Drought funding)
- Replacement of water pipeline from spring sump to water treatment works Oyster Bay. (Drought funding)
- Surfacing of Felix and Human streets in Kruisfontein Humansdorp.
- Resealing of roads.
- Installation of various traffic calming measures (speed humps) throughout Kouga.
- Erection of street name signs in various locations in Jeffreys Bay and Humansdorp.
- Procured 20 x mobile containerized ablution facilities.

Corporate Services

Administration

- The Service Delivery Call Centre continues to play a pivotal role in the institution serving as the link between the community and service delivery departments. As at 30 June 2020, the Call Centre recorded 40 968 calls for the 19/20 Financial Year.
- Committee services is the engine room of Corporate Services, being the interface between the political leadership and administration. The standard of services rendered by Committee services continues to improve thus enabling the politicians to exercise greater oversight over the administration.
- A schedule of Meetings/Annual Calendar of the Mayoral Committee, Portfolio and Council meetings continues to be implemented and enhanced with closure dates for items and distribution dates being reflected on the improved calendar thus assisting authors of items with compliance.
- Reports on Telephone usage, printing usage, advertising, and Call Centre activities was created to allow Council to exercise greater oversight.
- Several ward offices and ward Cllr offices were renovated.
- Outcomes of ward committee meetings are documented and referred to user departments for actioning. The feedback from user departments is tracked by the respective portfolio committees.
- Various office renovations were undertaken thus improving the working environment in compliance with the Occupational Health and Safety Act.
- Considerable reduction on the Telkom landline bill and printing costs was realized. The total Telkom landline costs from FY 2018/19 to FY 2019/20 decreased significantly by 95%
- The total printing costs from FY 2017/18 to FY 2019/20 decreased significantly by 62%.
- A new filing cabinet (high density filing cabinet) was installed for Human Resources, which resulted in better spacing of the filing room and better filing sequencing.
- A new Service Provider was appointed for document imaging and storage services, which allowed the storage and safekeeping of all files and documents for the organization and files were made available electronically. As at 30 June 2020, 3 201 101 documents have been scanned and stored.
- A new desktop was procured for the PABX system

- A new Service Provider was appointed for specialized cleaning services.

Human Resources

- Achieved a clean audit in HR with no queries being raised for 2018/2019 Financial year.
- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.
- Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R 2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

Community Services

- The procurement of 7 Traffic vehicles, 3 x Idv's and 4 x sedans.
- Installation of CCTV Cameras (Jeffreys Bay Caravan Park, Main building Jeffreys Bay) and Blue flag beach area. Also rolled out to Humansdorp pay point offices and traffic department.
- Upgrading of traffic department: Painting of walls, laminating of floors, installation of covid-19 partitioning screens and rain covering roof at learner's classroom.
- Agreement with Fountains Mall and other private owners to perform traffic/by-law enforcement on their property.
- SLA with KLM and HTA for custodianship over Bureau street taxi rank building.
- Installation of air-conditioning into most offices at the Traffic department as part of compliance with Department of Transport.
- Procurement of a 6000 L Water Tanker & Medium Pumper.
- Procurement of Hydraulic Equipment.
- Procurement of Firefighting Equipment.
- SANTAM donated R 1 000 000.00 to Kouga Municipality to reduce the fire risk in St Francis Bay.
- Completion of fencing at Hankey Fire Station.
- Activated nine (9) Disaster Volunteers to assist during the COVID-19 period.
- Procurement of Lifesaving 4 x 4 Vehicle.
- Procurement of Disaster Management Vehicle.
- BUCO Sponsored Lifesaving Uniform as part of the Upgrading of the Towers.
- Procurement of Quad Bike for Lifesaving.
- Upgrading of Lifesaving Towers at Jeffreys Bay Main Beach and St Francis Bay Main Beach by Bucu.

- 20 lawn mowers and 38 side cutters were procured.
- Public open spaces were cleared and beautified during the 2019/20 financial year and Procurement of 11 Play parks.
- Fencing at the Pellsrus Outdoor Gym Park.
- Upgrading of the Pellsrus Park, Kabeljouws park and Cape St Francis Bay Park which included the installation of benches, erecting of a ramp, installation of waste containers, installation and painting of poles, landscaping, erection of braai stands.
- Upgrading of the Patensie Park.
- Fencing of the C-Place cemetery ablution facility.
- Palisade Fencing of the Pellsrus Caravan Park and Yellowwoods.
- Extension / rebuilding of the wall at the Jeffreys Bay Caravan Park.
- Installation of the play park and installation of the roof (ablution facility) at Yellowwoods.
- The Jeffreys Bay and Pellsrus Caravan Parks have been upgraded, works included tiling, plumbing, electrical maintenance, painting), replacing of all signboards, erecting fence and barbed wire on the seaside, Installation of 2 electronic gates and erecting 4 extra braai stands.
- The ablution block and the braai stands at the Gamtoos Mouth Caravan Park were repaired.
- Fencing at the Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall and Patensie Hall and Thornhill Hall.
- Upgrading of Newton Community hall, Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall, Thornhill Sport field and Phillippsville Sport field.
- Kwanomzamo hall fully upgraded after it was burnt by the Community members in 2018.
- Pellsrus and Weston Sports Field was upgraded and is in the process of being handed over by service providers to Council.
- Successful hosting of the Winterfest 2019 (6 – 22 July 2019). The Winterfest event was declared a green event and the following recycling products were collected from the Winterfest 2019: Glass 5 750kg, PET 210kg, K4(box)1 450kg, Alu Cans 85 kg, Plastic185kg.
- Mandela Day 18 July 2019 – clean ups in Humansdorp, Pellsrus School, main Beach Jeffreys with Pharos School.
- International Coastal Clean Up - “Nature knows no **waste**”. (21 September 2019)
- World Environmental Day 5 June 2020.
- The Waste Management section managed to install 21 swivel bins before the start of the festive season in designated areas for litter disposal introduced additional skip bins in busy areas.
- Procurement of 10 073, 240-liter wheelie bins.
- Kouga Municipality came second in the 2019 Eastern Cape Greenest Municipality Competition.
- Keep Kouga Green was launched in Humansdorp.
- Environmental Education School Programme.
- Construction of Access Road - constructed a 3.5 m wide access road from Aldabara Run to the St Francis Spit.
- Construction of an Emergency Revetment - St Francis Spit.
- A tree planting drive was initiated as a commitment to combating climate change. A total number of 625 trees were planted.
- International Climate Change Workshop Climate Change Partnerships – Kouga Municipality, 9-11 October 2019.
- Covid-19 Education & Awareness: March – May 2020. (10734 soaps were issued per household during the door – to – door education awareness)

- Training of funeral undertakers & their employees on the management of human remains in the context of Covid-19: May 2020.
- 16 Joint Operations Committee (JOC) meetings for Covid-19 pandemic.

Planning, Development and Tourism

Local Economic Development and Tourism

- 759 Jobs Created.
- Fully functioning LED Forum.
- Successfully implemented Grant in Aid and events policies.
 - Kouga Local Tourism Organization: R1 437 550.
 - Humansdorp Museum Association: R275 000.
 - SPCA: R170 000.
 - South Point Adventures: R30 000.
 - Jeffreys Bay Animal Rescue: R100 000.
 - St Francis Bay Animal Rescue: R80 000.
- Promotion of Kouga as “Events Capital”.
 - Winter Festival.
 - Calamari Festival.
 - Jeffreys Bay Makiti Festival.
 - Gamtoos Bash.
 - Baviaans Activation.
- Implementation of Building Inclusive Green Municipalities in collaboration with Prince Edward County.
- Adoption of LED Strategy.
- Commencement with the establishment of a Local SMME Structure.
- Disbursement of District Municipality grant funding to local SMME’s:
 - Amahle Waste Recycling: R90 000.
 - Eza mamntambo: R55 000.
 - Buble Security: R150 000.
 - Clayton Transport and Logistics: R150 000.
- Established and maintained a strategic partnership with Kouga Business, KLTO and the museums.
- Capital Budget expenditure of 91% for the LED Section.
- Implementation of SMME Training Programmes:
 - Occupational Health and Safety, Public Administration, First Aid (75 SMME’s).
 - Business Management Training (15 SMME’s).
 - Destination Marketing and Tourism Development (32 SMME’s).

Human Settlements

- Construction of 391 houses (Kruisfontein).
- Provision of 1500 serviced sites (Oceanview).

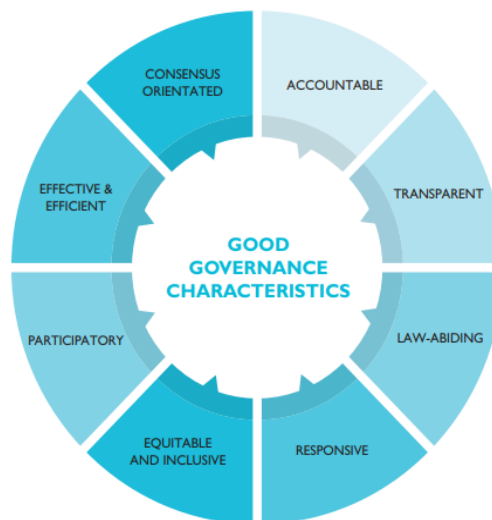
- Construction of 61 houses (Pellsrus 220).
- Appointment of Developer/SHI to implement FLISP/Social housing projects.
- Land acquisitions for human settlements (Kwanomzamo and Loerieheuvel).
- Establishment of Housing Committees.
- Appointment of service provider for revision of Housing Sector Plan.
- Site preparation of Stofwolk Temporary Relocation Area.
- Provision of 220 water tanks to 16 informal settlements.
- Funding approval by ECDHS (R 18 000 000) for the upgrading of 9 informal settlements.

CHAPTER 2: GOVERNANCE

Governance is the processes and culture that guide the activities of the municipality beyond its basic legal obligations. Political leaders and the heads of administration have a responsibility to the communities they serve to ensure good governance.

- Good governance in local government is when elected political leaders:
- act with the highest ethical standards.
- understand their role and the role of others.
- foster trusting and respectful relationships.
- show a commitment to risk management.
- engage in effective strategic planning.
- follow a transparent and accountable decision-making process.
- make good decisions that promote the interests of the community they serve.
- understand and abide by the law.
- commit to continuous improvement; and
- have sound judgement.

Good governance is important because it supports Council to make decisions and to act in the best interests of the community.





Good governance is accountable.

Accountability is a fundamental requirement of good governance. Local government has an obligation to report, to explain and to be answerable for the decisions it has made on behalf of the community it represents and serves.



Good governance is transparent.

People should be able to follow and understand the decision-making process. This means that they can clearly see how and why a decision was made – what information, advice and consultation a Council considered, and which legislative requirements a Council followed.



Good governance is law-abiding.

Decisions must be consistent with relevant legislation and be within the powers of local government.



Good governance is responsive.

Local government should always try to represent and serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.



Good governance is equitable.

A community's wellbeing depends on all of its members feeling that their interests have been considered by their municipality in the decision-making process. All groups, particularly the most vulnerable, should have opportunities to participate in the decision-making process.



Good governance is participatory and inclusive.

Anyone affected by, or interested in, a decision should have the opportunity to participate in the decision-making process. Participation can happen in several ways – community members may be provided with information, asked for their opinion via a public participation process.



Good governance is effective and efficient.

Local government should implement decisions and follow processes that make the best use of the available people, resources and time, to ensure the best possible results for their community.



Good governance is consensus oriented.

Wherever possible, good governance involves taking into account the different views and interests in a municipality to reach a majority position on what is in the best interests of the whole community, and how it can be achieved.

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 and has appointed a committee to whom he/she may delegate certain responsibilities. This committee is the Mayoral Committee.

LEADERSHIP: EXECUTIVE MAYOR, SPEAKER AND MAYORAL COMMITTEE



EXECUTIVE MAYOR
CLLR Horatio Hendricks



SPEAKER
CLLR Hatting Bornman



Cllr Freddy Campher
Corporate Services



Cllr Ben Rheeder
**Planning &
Development**



Cllr Brenton Williams
Finance



Cllr Bryan Dhludhlu
Infrastructure & Engineering



Cllr Daniel Benson
Community Services



Cllr Francis Baxter
**Local Economic
Development & Tourism**

PR COUNCILLORS



Cllr Cynthia August



Cllr Francis Baxter



Cllr Daniel Benson



Cllr Nico Botha



Cllr Malibongwe
Dayimani



Cllr Bryan Dhludhlu



Cllr Timothy Jantjes



Cllr Robin Jantjes



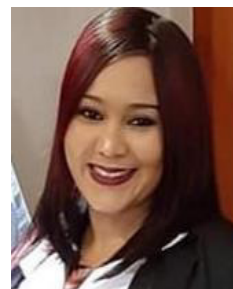
Cllr Francois Louw
(Aug 2016 – Nov 2019)



Cllr Marthina van Niekerk
(Dec 2019 – to date)



Cllr Down Nkomo
(Aug 2016 – Sept 2019)



Cllr Melanie Biko
(Oct 2019 – to date)



Cllr Phumza Nkwalase



Cllr Phumzile Oliphant



Cllr Brenton Williams



Cllr Cynthia Matroos

WARD COUNCILLORS



Ward 1
Zolani Mayoni



Ward 2
Timothy Meleni



Ward 3
Willem Gertenbach



Ward 4
Freddy Campher



Ward 5
Wilma Coenraad



Ward 6
Velile Vumazonke



Ward 7
Chico February



Ward 8
Ludwig Vorster



Ward 9
Sibongile Jujwana



Ward 10
Amos Mabukane



Ward 11
Hatting Bornman
(Speaker)



Ward 12
Ben Rheeder



Ward 13
Margaret Peters



Ward 14
Sindiswa Makasi



Ward 15
Horatio Hendricks
(Executive Mayor)

HEAD OF COUNCIL				
1	Horatio Mario	Hendricks	DA	Executive Mayor
2	Chris Hattingh	Bornman	DA	Speaker
MAYORAL COMMITTEE				
1	Bryan	Dhludhlu	DA	Portfolio Council: Infrastructure & Engineering (Feb 2020 - to date) Previously Portfolio Councillor of Corporate Services (Apr 2019 to Jan 2020)
2	Frederick Jacobus	Campher	DA	Portfolio Council: Corporate Services (Feb 2020 – to date) Previously Portfolio Councillor of I&E (Aug 2016 to Jan 2020)
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 (Aug 2016 – Nov 2019)
	Marthina	Van Niekerk	DA	PR Cllr (Dec 2019 – to date)
7	Timothy	Jantjes	DA	PR Cllr
8	Cynthia	August	DA	PR Cllr
9	Down Mnyamezeli	Nkomo	DA	PR Cllr (Aug 2016 – Sept 2019)
	Melanie	Biko	DA	PR Cllr (Oct 2019 – to date)
10	Bryan	Dhludhlu	DA	PR Cllr
11	Malibongwe Emmanuel	Dayimani	ANC	PR Cllr
12	Phumzile Joseph	Oliphant	ANC	PR Cllr
13	Cynthia Nomathamsanga	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 consists of 29 Councilors made up as follows:

17 Democratic Alliance Councilors: (5 Female, 7 Ward, 10 PR)

12 African National Congress Councilors: (4 Female, 8 Ward, 4 PR)

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 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:

- The passing of by-laws;
- The approval of budgets;
- The imposition of rates and other taxes, levies and duties; and
- 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



Nomvula Machelesi
Director Community Services



Krishen Moodley
Director Corporate Services



Riaaz Lorgat
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 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 is responsible for the human resources of the municipality

ensuring that the municipality has the requisite human resources who 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:

DIRECTORATE	FUNCTION
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

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.

IGR meetings were convened by Kouga Municipality on the following dates:

- 21 August 2019
- 30 November 2019
- 19 February 2020

With the declaration of the National Disaster on Covid-19 no further normal IGR meetings were convened other than the following Covid-19 related meetings:

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices	SBDM JOC Meeting at District Offices Port Elizabeth
March	March	March
27-03-2020	3-03-2020	20-03-2020
28-03-2020	25-03-2020	
30-03-2020	31-03-2020	
April	April	April
3-04-2020	7-04-2020	2-04-2020
6-04-2020	14-05-2020	9-04-2020
10-04-2020	18-04-2020	16-04-2020
11-04-2020	21-04-2020	23-04-2020
13-04-2020	22-04-2020	30-04-2020
14-04-2020	28-04-2020	
17-04-2020		
20-04-2020		
24-04-2020		
May	May	May
01-05-2020	05-05-2020 virtual	07-05-2020 virtual
4-05-2020	12-05-2020 virtual	14-05-2020 virtual
8-5-2020	17-05-2020 Special JOC	21-05-2020 virtual
11-05-2020	19 – 05 -2020 virtual	28-05-2020 virtual
15-04-2020	26-05-2020 virtual	
18-05-2020		

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices	SBDM JOC Meeting at District Offices Port Elizabeth
June	June	June
	2 June 2020 virtual	4 June 2020 virtual
8 June 2020	9 June2020 virtual	11 June 2020 virtual
12 June 2020	15 June 2020 virtual	18 June 2020 virtual
15 June 2020	23 June 2020 virtual	25 June 2020 virtual
19June 2020	30 June 2020 virtual	
22 June 2020		
26 June 2020		
29 June 2020		

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 2019/20 period as reflected hereunder.

DATE	PROGRAM	VENUE
18/07/19	Mandela Day	Kruisfontein
25/07/19	Consultative Forum for Traditional Health Practitioners	Humansdorp
29/08/19	Women's Wellness Program	Weston
25/09/19	Cancer Awareness Day	Thornhill
24/10/19	District Speaker's Forum	Sarah Baartman District
31/10/19	Ward Councillors Meeting	Jeffreys Bay
12/11/19	Public Hearing	Port Elizabeth
20/11/19	Men's Parliament	Humansdorp
05/12/19	Public Liaison Forum	Sarah Baartman District
17/01/20	Youth Policy Consultation	Sarah Baartman District
22/01/20	Drought Program	Gamtoos Valley
06/02/20	District Initiation Forum	Sarah Baartman District
18/03/20	Stofwolk Housing Meeting	Hankey

With the Covid-19 pandemic, Kouga Municipality also held meetings where public stakeholder representatives were invited as set out hereunder:

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices
March	March
27-03-2020	3-03-2020
28-03-2020	25-03-2020

Command/ Workstream meeting at SAPS Cluster Offices	Kouga JOC Meetings at Old Commando Offices
30-03-2020	31-03-2020
April	April
3-04-2020	7-04-2020
6-04-2020	14-05-2020
10-04-2020	18-04-2020
11-04-2020	21-04-2020
13-04-2020	22-04-2020
14-04-2020	28-04-2020
17-04-2020	
20-04-2020	
24-04-2020	
May	
01-05-2020	05-05-2020 virtual
4-05-2020	12-05-2020 virtual
8-5-2020	17-05-2020 Special JOC
11-05-2020	19 – 05 -2020 virtual
15-04-2020	26-05-2020 virtual
18-05-2020	
June	June
8 June 2020	2 June 2020 virtual
12 June 2020	9 June2020 virtual
15 June 2020	15 June 2020 virtual
19June 2020	23 June 2020 virtual
22 June 2020	30 June 2020 virtual
26 June 2020	
29 June 2020	

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 a 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 approval:

- Annual Report.
- Integrated Development Plan.
- Service Delivery Budget Implementation 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.

Municipal Website: Content and Currency of Material			
Documents published on the Municipal Website		Yes/No	Publishing date
1	Adjustment budget 2019/20	No	N/A
2	Final IDP 2019/20	Yes	14 June 2019
3	All budget policies	Yes	Various dates
4	All service delivery agreements	No	N/A
5	All long-term borrowing contracts	Yes	Various dates
6	All SCM contracts above R100 000 per quarter	Yes	Various dates
7	Public-private partnership agreements	N/A	N/A
8	Service Delivery and Budget Implementation Plan: 2019/20	Yes	10 September 2019
9	Performance Agreements: Senior Managers	Yes	10 September 2019
10	2018/19 Annual Report	Yes	17 March 2020

2.6 PUBLIC SATISFACTION

A Customer Satisfaction Survey was conducted during the last quarter of the 2018/19 and first quarter of the 2019/20 financial year.

The survey is 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

The forms were available at municipal units and Ward Councillors Offices. Residents could also download electronic versions of the form from our website. The campaign was publicised in our community newspapers, our website and Facebook page. The Speaker also encouraged ward councillors, specifically, to help circulate the survey in their communities.

Only 39 submissions were received and the submissions were from two wards only, namely, Wards 3 and 8 in Jeffreys Bay.

The total scores for this round of the survey are listed below, per category and together with the final total score:

Service Experience – 3,1 (Satisfactory)

Service Delivery – 3 (Satisfactory)

Good Governance – 3,3 (Satisfactory)

TOTAL SCORE – 3,1 (Satisfactory)

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.

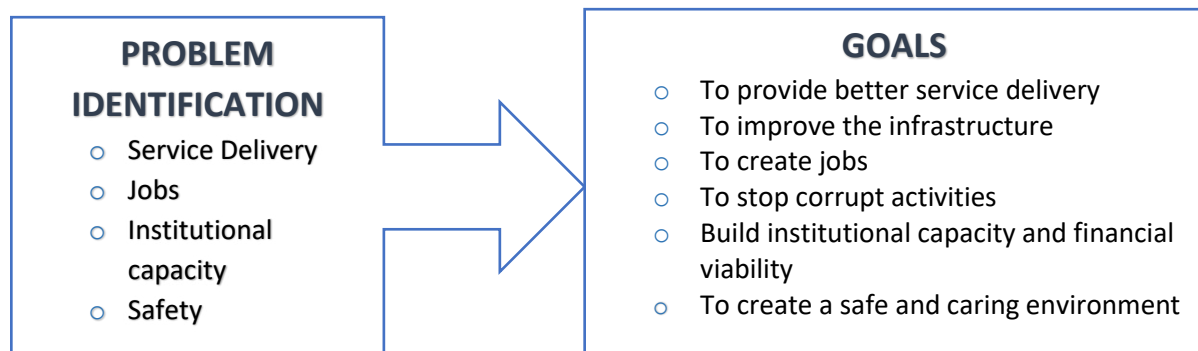
Strategic Direction for 2017/2022:

The municipality started with the development of the IDP by adopting a process plan for the 2019/20 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 2019 to develop new strategies for the 5-year plan. The desired outcomes and develop objectives for the 2019/20 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 facilitates 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 were 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 wards 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:

The table below illustrates the comparative IDP credibility ratings of the review periods 2017/18, 2018/19 and 2019/20.

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

Table5: KPA Comparative ratings

The municipality received an overall **HIGH** rating from the Office of the MEC which places the municipality in a benchmarking category. All 6 key performance areas received a high score. This is a significant

progress from the previous years as can be seen in the table above. The municipality maintained a trend of **HIGH** scoring over the period of its IDP assessment cycle of the 2017-22 IDP.

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 in the Capital Works Project Register hereunder:

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
EXECUTIVE & COUNCIL				
Computer Equipment	Internal	190,000	160,000	160,000
Furniture and Equipment	Internal	260,000	245,000	245,000
Ward Councilors Capital Projects	Internal	750,000	750,000	750,000
		1,200,000	1,155,000	1,155,000
CORPORATE SERVICES				
Computer Equipment	Internal	198,000	-	-
Furniture and Equipment	Internal	550,000	515,000	515,000
Library upgrade û Corporate Services	Internal	100,000	-	-
Buildings	Internal	1,000,000	1,000,000	1,000,000
Computer Software and Applications	Internal	-	-	-
EDMS	Internal	540,506	-	-
Biometric system	Internal	130,000	-	-
Vehicle	Internal	250,000	-	-
Fencing of main building	Internal	-	-	-
Software upgrade	Internal	300,000	-	-
		3,068,506	1,515,000	1,515,000
FINANCE				
Furniture and Equipment	Internal	300,000	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Computer Equipment	Internal	300,000	-	-
Office upgrade ICT	Internal	-	-	-
Container (Assets)	Internal	50,000	50,000	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	-	-
Cibex Software	Internal	600,000	-	-
Disaster Recovery Server	FMG	-	-	-
Vehicle	Internal	300,000	-	-
		2,600,000	50,000	50,000
PLANNING,DEVELOPMENT & TOURISM				
Computer Software and Applications	Internal	300,000	500,000	500,000
Computer Equipment	Internal	60,000	60,000	60,000
KOUGA CULTURAL CENTRE	Internal	-	-	-
Furniture and equipment	Internal	200,000	-	-
Outdoor Facilities (Capital)	MIG	-	-	-
Land acquisition housing projects	Internal	1,700,000	1,400,000	1,500,000
Machinery and Equipment	Internal	-	-	-
Arts and Creative Industries	DISTRICT	100,000	-	-
Loerie Flower Project	DEDEAT	-	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
LED Capital Projects	Internal	1,000,000	1,000,000	1,000,000
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	MIG	1,220,951	1,378,987	1,475,020
		4,580,951	4,338,987	4,535,020
COMMUNITY SERVICES				
Fencing – Humansdorp	Internal	1,300,000	1,000,000	1,000,000
Machinery and Equipment	Internal	1,400,000	1,360,000	1,375,000
Vehicle	Internal	2,300,000	2,100,000	2,100,000
Furniture and Equipment	Internal	350,000	300,000	250,000
Bins with wheels (from CP22 & CP23 EM)	Internal	2,000,000	2,000,000	2,000,000
Life Guards Beach Tower	Internal	100,000	100,000	100,000
Upgrading of Sports Facilities	MIG	3,936,841	4,136,961	4,425,059
Upgrading of Kwanomzamo Sports Facility	MIG	5,413,043	-	-
Computer Equipment	Internal	300,000	200,000	100,000
Fencing Fire Station Hankey (from CP23 EM)	Internal	300,000	200,000	200,000
Provide suitable Cemetery Facilities	Internal	-	-	-
Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
COMMUNITY SERVICES				
Security Gates (Humansdorp 7de Laan)	Internal	-	-	-
Transport Vehicles	Internal	-	-	-
Weston Library Upgrade	Internal	-	-	-
Machinery and equipment	DISTRICT	-	-	-
Vehicle	DISTRICT	1,965,100	1,965,100	1,965,100
Upgrading of Yellow Woods	Internal	150,000	-	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Upgrading of play parks	Internal	200,000	200,000	200,000
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Internal	450,000	450,000	450,000
Vehicles	Internal	1,150,000	950,000	800,000
Upgrading of sport & recreation facilities	Internal	500,000	500,000	500,000
		21,814,985	15,462,061	15,465,159
INFRASTRUCTURE & ENGINEERING				
Furniture and Equipment	Internal	10,000	10,000	10,000
Computer Equipment	Internal	25,000	20,000	20,000
Machinery and equipment	Internal	330,000	300,000	300,000
upgrading of infrastructure for new township establishment	Internal	-	-	-
Vehicles	Internal	2,600,000	2,600,000	2,600,000
MV Networks Capital	INEP	-	-	-
Energy and Demand Side Management	INEP	3,478,261	-	-
New overhead lines 66kv overhead lines (J-bay to Melk	Internal	1,800,000	1,800,000	1,800,000
Outfall Sewers Capital	Internal	-	-	-
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG_NT	-	-	-
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-	-	-
RETICULATION REPLACE PIPELINES (OYSTER BAY)	WSIG_NT	-	-	-
Upgrading of the Sea Vista Wastewater Treatment Wo	MIG	15,859,937	-	-
Humansdorp - Upgrade Kruisfontein Waste Water Treatment Works	MIG	-	-	-
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363,655	9,982,258	11,808,345
Patensie Sewage Package Plant	MIG	4,429,441	2,173,913	-

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Upgrade Sanitation System Old Hankey	MIG	434,783	9,907,620	11,791,968
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-	-	-
LV Networks (Informal Areas, Electrification/illegal connections	Internal	1,000,000	1,000,000	1,000,000
Pump Station Capital	Internal	750,000	750,000	750,000
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-	-	-
DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP	WSIG_NT	-	-	-
HANKEY WATER SUPPLY	WSIG_DWS	-	-	-
Security Camera	Internal	200,000	200,000	200,000
HUMANSDORP WATER SUPPLY	WSIG_DWS	-	-	-
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1,500,000	1,500,000	1,500,000
Vehicle	Internal	-	-	-
Roads Capital	Internal	1,500,000	1,500,000	1,500,000
INFRASTRUCTURE & ENGINEERING				
Computer Equipment	MIG	-	-	-
REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFR	WSIG_NT	-	-	-
PATENSIE WATER SUPPLY	WSIG_DWS	-	-	-
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-	-	-
OYSTER BAY WATER SUPPLY	WSIG_DWS	-	-	-
Bucket Eradication Program	Internal	2,300,000	2,300,000	2,300,000
St Francis bulk main outfall sewer	Internal	500,000	500,000	-
Sewer REPLACE OLD PUMPS	Internal	750,000	750,000	750,000

Projects	Funding	Approved Budget 2019/20	Approved Budget 2020/21	Approved Budget 2021/22
Electrical replacement of old and dangerous switch gear Saffery Substation Humansdorp	Internal	2,000,000	2,000,000	-
Electrical Replacement of old mv cables to main substation Humansdorp	Internal	1,200,000	1,200,000	1,200,000
Electrical supply of tri switches St Francis Bay	Internal	200,000	-	250,000
Electrical Supply auto recloser St Francis Bay	Internal	400,000	450,000	400,000
Electrical Mini substation 22 000/11000/400 St Francis Bay	Internal	700,000	800,000	1,000,000
Electrical 5 MV 22000/11000 transformer	Internal	1,400,000	1,400,000	1,400,000
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Internal	800,000	800,000	800,000
Purchase storage containers (3)	Internal	200,000	-	-
KwaNomzamo Wastewater Treatment Works	WSIG_NT	8,695,652	9,565,217	8,695,652
Humansdorp, Kruisfontein and Ocean View Electrification	INEP	5,219,130	6,086,957	5,217,391
High Mast Lights	Internal	1,200,000	1,200,000	1,200,000
		59,845,860	58,795,965	56,493,357
		93,110,302	81,317,013	79,213,535
Internally generated funds		41,993,506	36,120,000	33,835,000
Transfers recognized - capital		51,116,796	45,197,013	45,378,535
Total		93,110,302	81,317,013	79,213,535

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.
- (c) 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

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
Imaging and storage of Records	Centralized Records Management	Service Provider appointed	Appoint a Service provider	During FY 2018/19 a tender for document imaging and storage was advertised but cancelled for reason that no responsive bids were received. The tender was re-advertised The tender for document imaging and storage was

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
				advertised and awarded on 31 August 2019. To date 3 201 101 documents have been scanned and stored.
Reduction of Telkom phone bill by R60 000 per month	Reduce the Telkom phone bill by R60 000 per month	The Telkom phone bill was reduced by - 95% from FY 2018.19 to FY 2019.20	The Telkom phone bill was reduced by an average of R107 000 per month	The total Telkom landline costs from FY 2018/19 to FY 2019/20 decreased significantly by 95%.The difference in cost between FY 2018/19 vs FY 2019/20 is R 694 595.14 . This is a significant improvement from the previous FY.
Acquire New copier/printers and related equipment	Acquire New copier/printers and related equipment for the entire organization and Ward offices	Equipment has been installed and is in use.	A Tender was awarded for the supply and installation of copier/printers and related equipment for the organization	The total printing costs in the institution decreased from R1 347 889.07 in FY 2017/18 to R517 184 .97 in FY 2019/20. This represent a decrease of 62% in printing costs. The cost of leasing printers decreased significantly from FY 2017/18 to FY 2019.20 from R2 448 430.92 to R780 000.00 . This represents a 68% decrease in leasing printers.
Acquire new Cell phones	Acquire new cellphones and more cost-effective cellular packages for the Municipality	All cellphones acquired are in use. Contract Ends Oct 2020. Specifications to be submitted to BSC for new Cell Phone Tender	Telkom was appointed as the Cellular services provider for the Municipality	Cell phone contract ends October 2020. In the year in question the Telkom contract was in its second year of the contract. The acquisition of the smart cell phones have had a tremendous benefit to the institution and has assisted enormously with service delivery.

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
Library Upgrade - Provide new office space for the Human Resources Section	Convert the old Library into office space for the Human Resources department	Installed filing cabinet for HR	Was completed in May 2019	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. A tender for high density filing cabinet was advertised and awarded on 5 November 2019. High density filing cabinet installed and in use.
Call Centre (Service Delivery)	Expand the Call Centre functionality.	Call Centre Operator's compliment is at X10, including X1 Call Centre Supervisor	A Call Centre was established in October 2017. As of April 2019, the Call Centre handles service delivery account queries	The Call Centre Team is responsible for the receiving, logging and dispatching of all service delivery requests. As a result of high call volumes received for account balances by the Revenue section, the necessary software has been installed for the Call Centre staff to issue out account balances to the public. For the FY 2019/20, 40968 service delivery requests have been reported and 37026 service delivery requests have been resolved
Buildings	Repairs and Maintenance on Administrative	Administrative Buildings and Ward offices	0	To date R831 017,15 has been spent. Due to the Covid-19 lockdown, expenditure

DEPT. ANNUAL TARGETS	IDP TARGET	ACHIEVEMENT 2019/20	PRIOR YEAR ACHIEVEMENT 2018-19	COMMENT
	Buildings and Ward Offices	repaired / renovated		dropped, as most R&M could not be completed. However, with the Maintenance being transferred to Corporate Services as per the reviewed Organogram, R&M expenditure should improve in the new FY 2020/21
EDMS	Install EDMS	0	0	At 31 January 2020 - EDMS system was acquired via a sec 36 Deviation. Preparations for roll out was due to start in March 2020. Roll out could not commence due to Covid 19 Lockdown. However, the funds allocated for this had to be re-written to the budget FY 2020/21 and roll out discussions will resume during FY 2020/21.
Biometric System	Install Biometric System	0	0	Tender was advertised and awarded. Roll out could not commence due to Covid 19 lockdown. Budget of FY 2019/20 to be rolled over FY 2020/21 .
Cleaning Services	Specialized Cleaning Services required	Cleaning services tender awarded	0	Cleaning Services Tender was advertised and awarded.

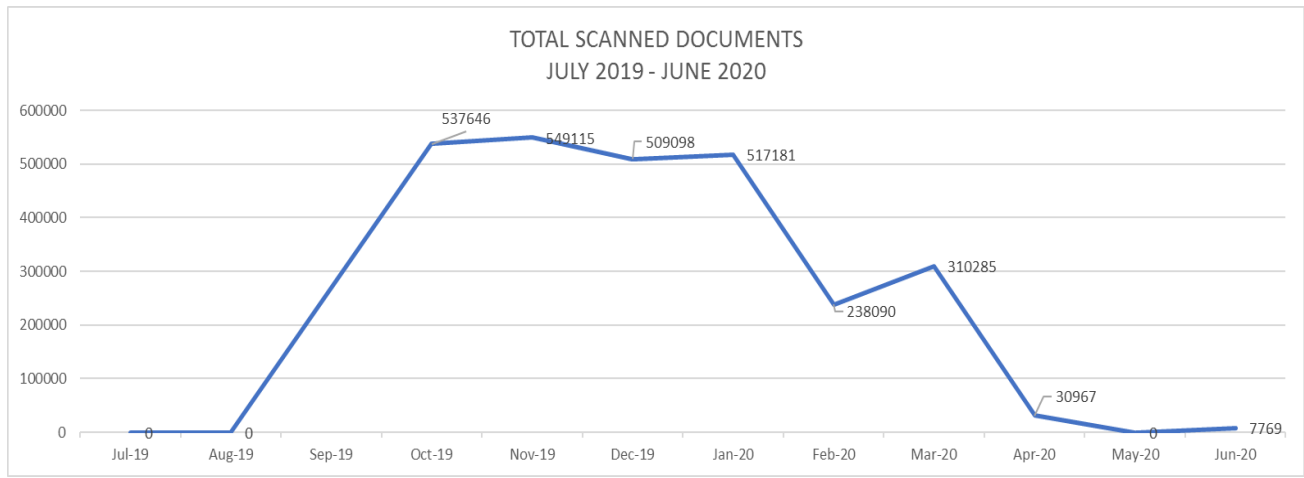
Below graphs indicates targets met during FY 2019/20 and indicates a comparison on previous Financial Years:

DOCUMENT, IMAGING AND STORING – JULY 2019 – JUNE 2020:

GRAPH 1: DOCUMENTS COLLECTED TO DATE:

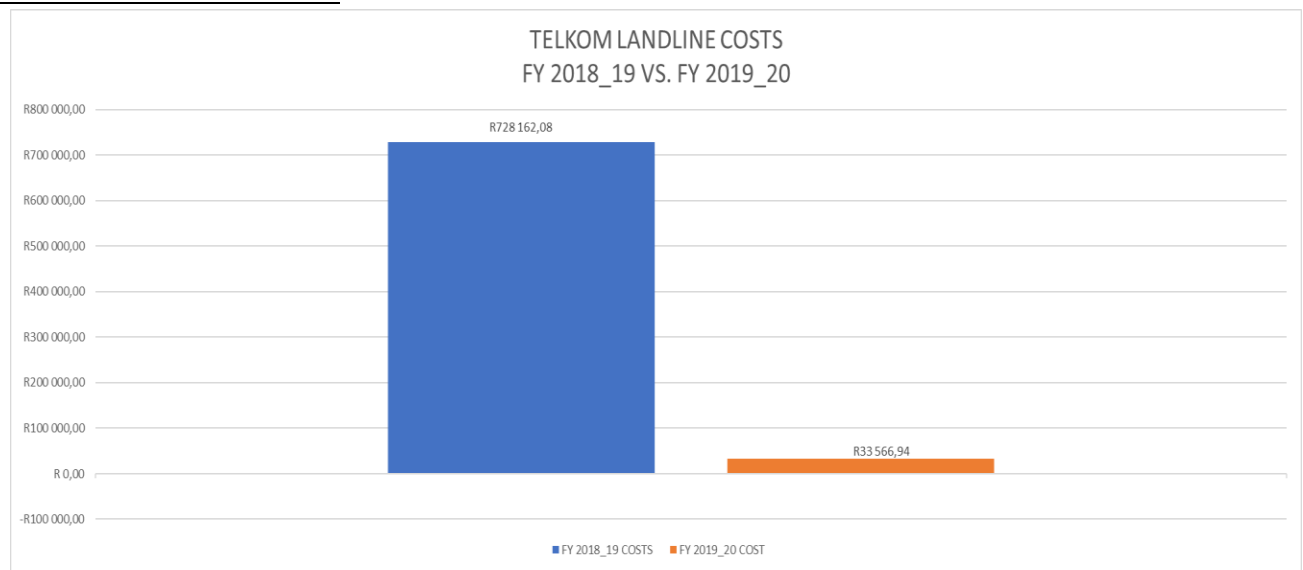
Department	Number of boxes collected
Patensie	144
Hankey	480
JBay Finance: Expenditure	322
Jbay Finance: Revenue	332
ST Francis Bay: Revenue	201
HR	139
SCM	22

GRAPH 2: TOTAL SCANNED DOCUMENTS:



TELKOM LANDLINE COST:

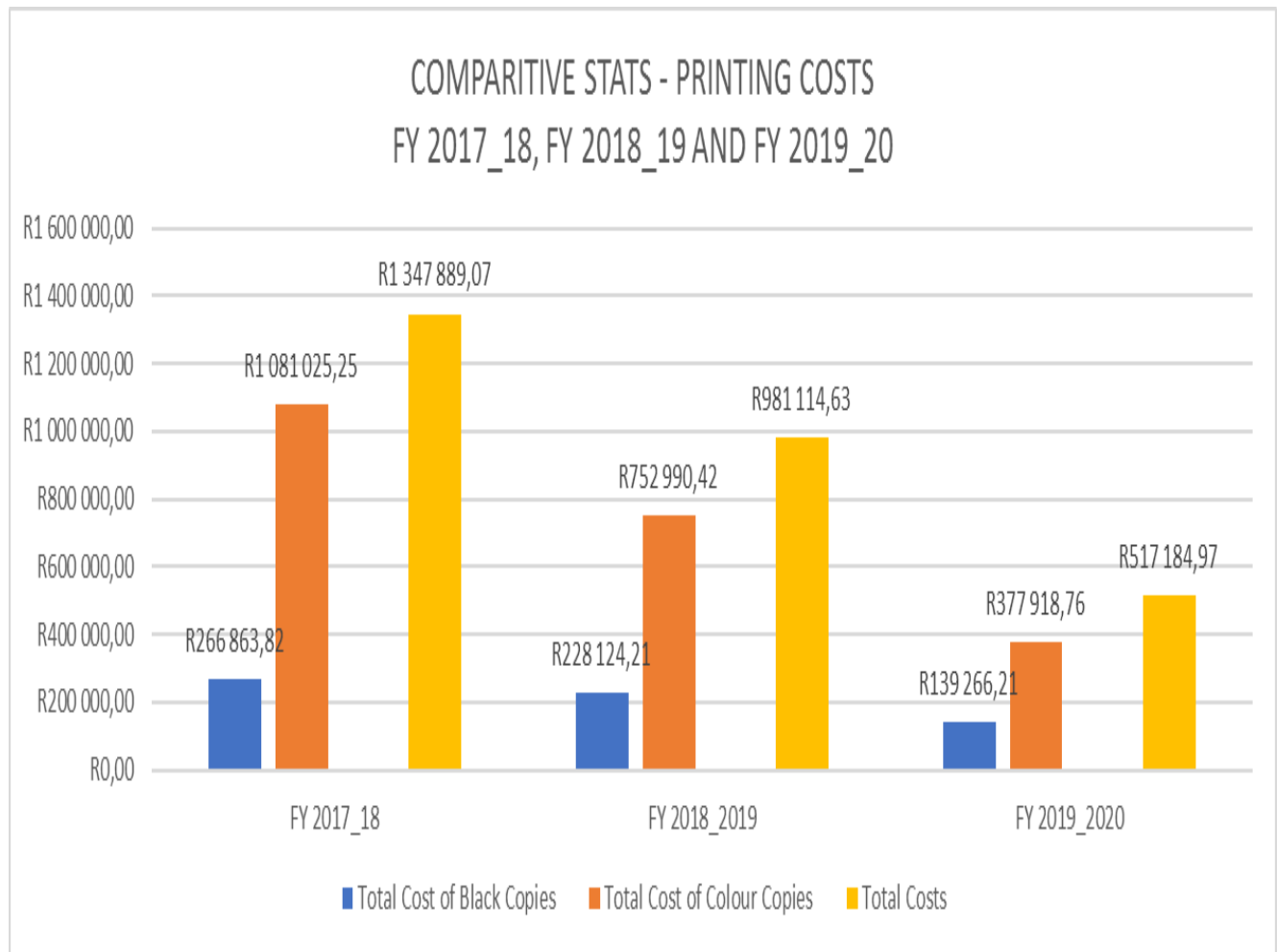
GRAPH 1: TELKOM LANDLINE COST:



YEAR ON YEAR COMPARATIVE PRINTING STATS - FY 2017/18 to 2019/2020:

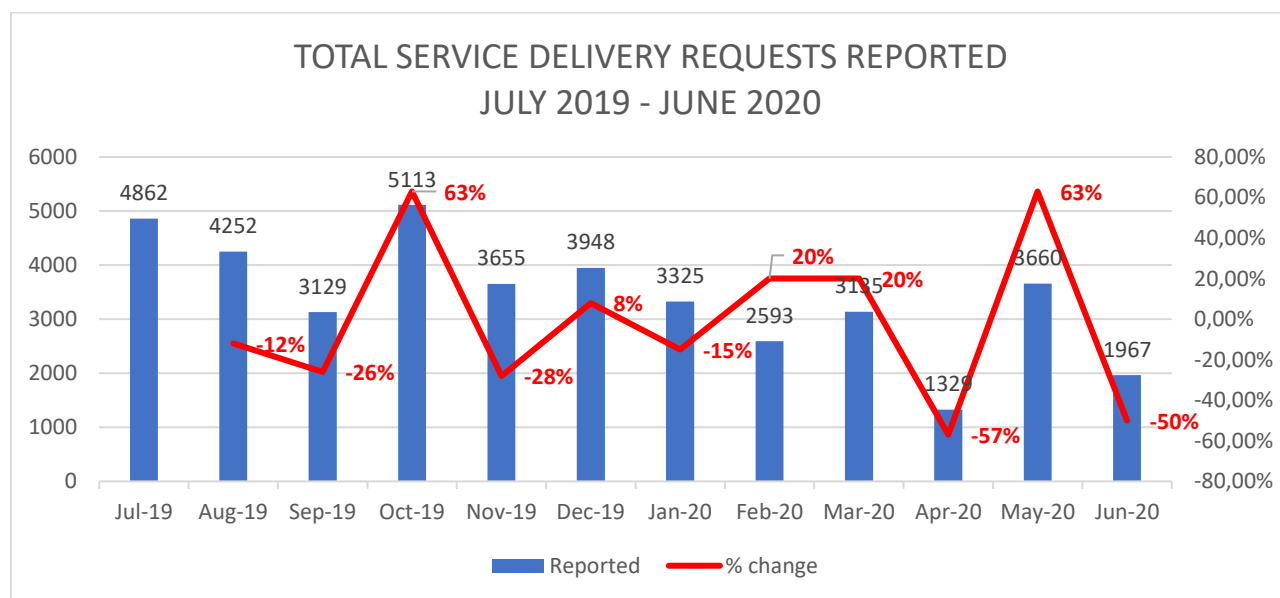
GRAPH 1: PRINTING COSTS - INSTITUTION WIDE:

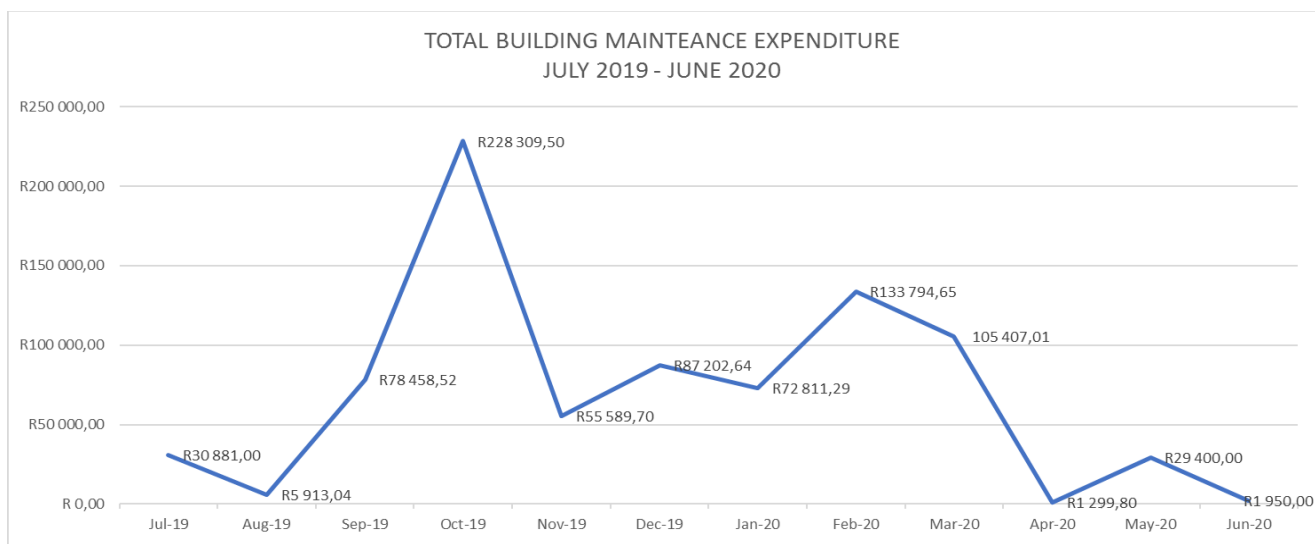
	FY 2017_18	FY 2018_2019	FY 2019_2020
Total Cost of Black Copies	R266 863,82	R228 124,21	R139 266,21
Total Cost of Colour Copies	R1 081 025,25	R752 990,42	R377 918,76
Total Costs	R1 347 889,07	R981 114,63	R517 184,97



MONTHLY ACTIVITIES AT THE CALL CENTRE FOR JULY 2019 – JUNE 2020:

TOTAL REQUESTS JULY 2019 – JUNE 2020												
MONTH	JULY 2019	AUG 2019	SEPT 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
Reported	4862	4252	3129	5113	3655	3948	3325	2593	3135	1329	3660	1967
Actioning	266	221	222	266	365	501	351	420	587	146	331	246
Resolved	4594	4030	2906	4845	3293	3447	2971	2164	2548	1182	3325	1721
Resubmitted	2	1	1	2	0	0	3	9	0	1	4	0

BUILDING MAINTENANCE EXPENDITURE – JULY 2019 – JUNE 2020:GRAPH 1: BUILDING MAINTENANCE EXPENDITURE:



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.	Events Policy	Approved: 30 May 2019	
2.	Ward Development Fund Policy	Approved: 30 May 2019	
3.	Wheelie Bin Policy	Approved: 30 April 2019	
4.	Draft Policy On Standing Rules And Procedures With Regard To Disciplinary Matters Against Councillors	Approved: 28 February 2020	20/02/MM7
5.	ICT Policy - Data And Systems Security, Network Security And Internet, Intranet, Extranet And E-Mail Policy	Under review	
6.	Mobile Devices Policy	Under review	
7.	Supply Chain Management Policy	Under review	
8.	Protective Equipment Policy	Local Labour Forum	

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
9.	Terms Of Reference For The Kouga Municipality Financial Misconduct Disciplinary Board	Accepted at workshop 15 August 2019 – no Submission to Council	
10.	SMME & Cooperative Development Policy	Under review	
11.	Outdoor Advertising By-Law	Under review	
12.	Policy & Procedures of the Disposal of Immovable Assets	Under review	
13.	Virement Policy	Under review	
14.	Ward Development Committee	Under review	
15.	Kouga Municipality Small Scale Embedded Generation (SSEG) Policy	Public Participation Process	
16..	Kouga Municipality Electricity & SSEG By Law	Public Participation Process	
17.	Policy on Provision for Doubtful Debt and Write-Off of Irrecoverable Debt	Submission to Council	

2.10 HUMAN RESOURCES

INTRODUCTION TO HUMAN RESOURCE SERVICES

“Human resources isn’t a thing we do. It’s the thing that runs our business.” – Steve Wynn

The Human Resources Section handles a range of different functions within the municipality. The Section is responsible for hiring and disciplining employees, training staff, maintaining interpersonal relationships, and interpreting employment/labour law. The Section works diligently behind the scenes to ensure the municipality runs efficiently. The HR Section’s main responsibilities are:

- Employee benefits.
- Labour Relations.
- Occupational Health & Safety.
- Employment Equity and Skills Development.
- Organisational Development.

Some of the achievements are the following:

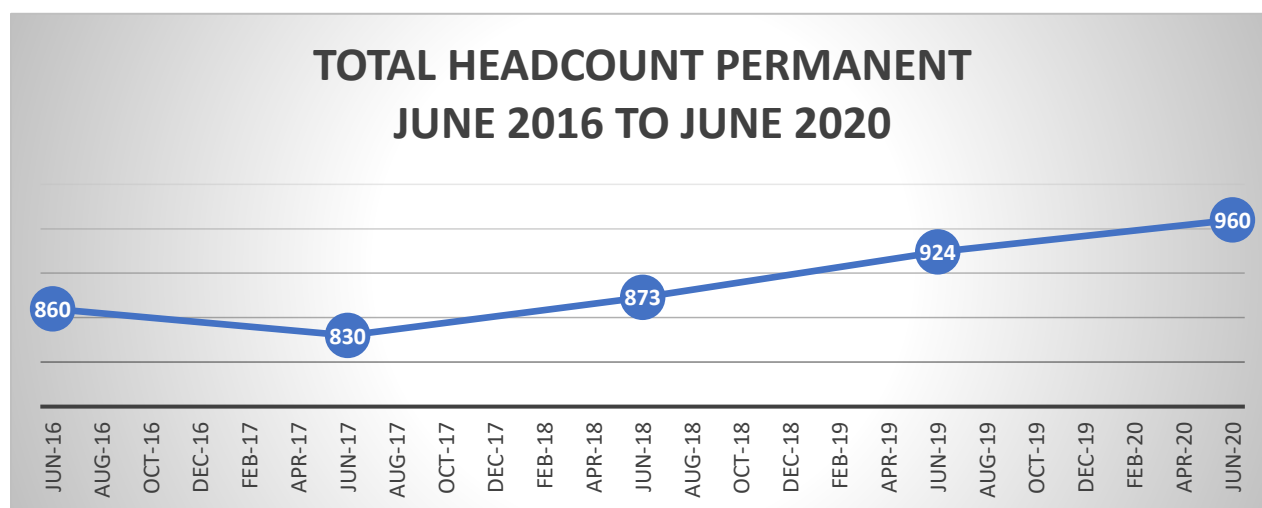
- Achieved a clean audit in HR with no queries being raised for 2018/2019 Financial year.
- Received a 3rd concurrent Letter of Good Standing from the Department of Labour, for the 2020 year.
- Submitted a credible Employment Equity report to the Department of Labour on the 14th of February 2020.
- Submitted a credible Workplace Skills Plan to LGSETA on the 29th of April 2020.
- Appointed a service provider to conduct an Employee Wellness Programme for all employees for a period of 3 years.
- Appointed a service provider to conduct Medical Surveillance for all employees for a period of 3 years.
- Implemented a Comprehensive Organizational Work-study.
- Completed the Job Evaluation Process for the Municipality.
- Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

2.10.1 HEADCOUNT STATISTICS

The table below is a representation of the number of permanent employees since 2016, as well as temporary employees. The statistics show a marked increase in the number of permanent employees.

In June 2016, the total workforce was 860 and in June 2020 that increased to 960, thus an increase of 11.63 % in the total permanent workforce. This is indicative of the municipality's commitment to employment creation and service delivery.

Number of Employees					
	June 2016	June 2017	June 2018	June 2019	June 2020
Permanent Employees (Including Section 56 & 57 employees)	860	830	873	924	960
Temporary contract employees	266	195	21	4	101



2.10.2 SERVICE STATISTICS

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

FUND	30 June 2018	30 June 2019	30 June 2020
Consolidated retirement fund	413	453	472
Consolidated Retirement Fund (No CC)	4	4	3
National Fund for Municipal Workers	6	7	5
SA Local Authorities Pension Fund	8	8	5
Municipal Workers Retirement Fund	195	181	170
Momentum Provident Fund	205	198	191
Municipal Councillors Pension Fund	3	3	2
Consolidated Retirement Fund Cllrs	6	6	6
LA retirement fund	2	1	1
Total	842	861	855

Comparative Medical Aid membership on 30 June is as follows:

MEDICAL AID	30 June 2018	30 June 2019	30 June 2020
-------------	--------------	--------------	--------------

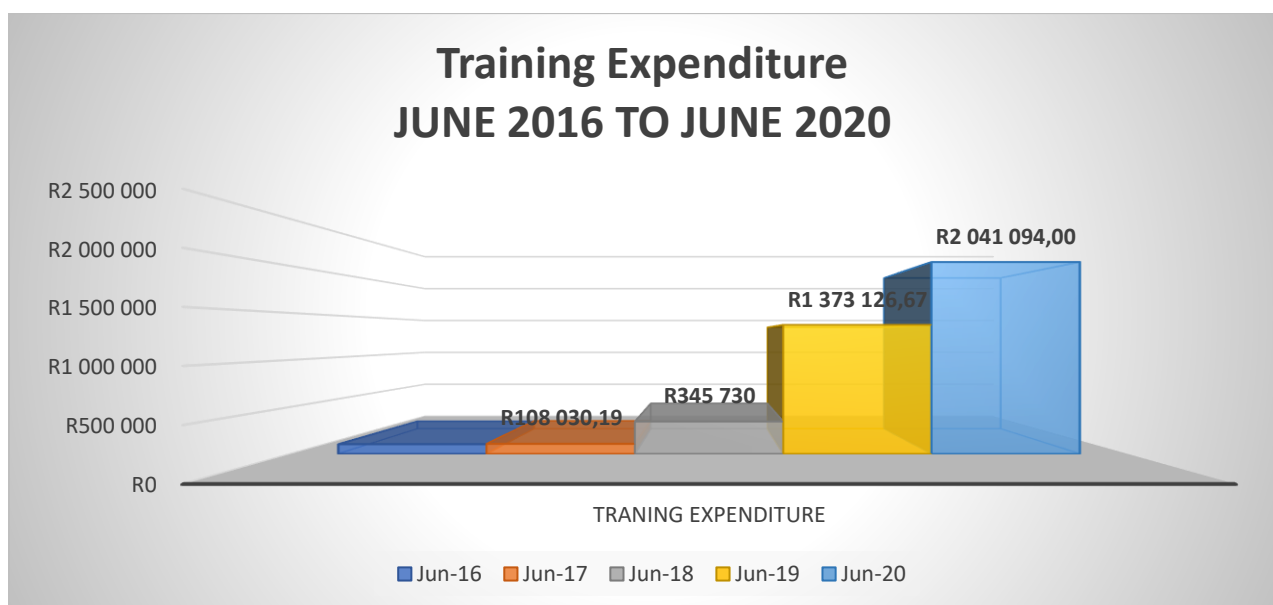
Bonitas	165	177	182
Key Health	19	17	17
Hosmed	79	69	55
LA Health	154	156	184
SAMWU Med	68	68	62
Total	485	487	500

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

Comparative Trade Union membership on 30 June is as follows:

TRADE UNION	30 June 2018	30 June 2019	30 June 2020
SAMWU	501	617	703
IMATU	315	236	219

2.10.3 WORKPLACE CAPACITY DEVELOPMENT



From the graph above, Kouga Local Municipality's investment in human capital spending/capacity building increased 20-fold since June 2016. For the 2019/20 Financial year the Municipality's expenditure on staff development was the highest it has ever been, with a record **R2 041 094** spent on capacitating employees. This represents an increase of 1 789%.

This is a major achievement for the municipality and its employees and is indicative of the Municipality's commitment to enhancing the skills, talent and development of its most important asset.

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.

Training 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-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Training Cost	R611 446,90	R447 928,92	R0,00	R0,00	R0,00	R106 261,63	R759 246,10	R38 165,72	R167 536,44	R9 882,64	R0,00	R0,00
Associated costs	R43 300,00	R48 261,08	R43 300,00	R48 261,08	R48 261,08	R318,00	R43 300,00	R43,00,00	R38 165,72	R0	R0,00	R0,00
Categories of Beneficiaries	Number of beneficiaries											
Legislators	6	7	0	0	0	0	0	0	0	0	0	0
Managers	9	11	0	0	0	0	0	0	3	0	0	0
Professionals	22	32	0	0	0	18	0	0	26	0	0	0
Technicians and Associate Professionals	12	13	0	0	0	2	0	15	3	0	0	10
Clerical Support Workers	36	18	13	0	0	14	10	0	5	0	0	0
Service & Sales Workers	26	9	0	0	0	7	0	0	0	0	0	0
Skilled Agricultural, Fishery and Related Trade Workers	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machine Operators and Assemblers	13	13	13	13	13	1	13	17	8	4	0	17
Elementary Occupations	34	0	0	0	0	15	0	11	15	0	0	15
Total Number of beneficiaries	158	103	26	13	13	57	23	43	60	4	0	42

As per the table above Kouga embarked on extensive training for its employees in the 2019/2020 Financial year.

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, 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, 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 of the Regulations.

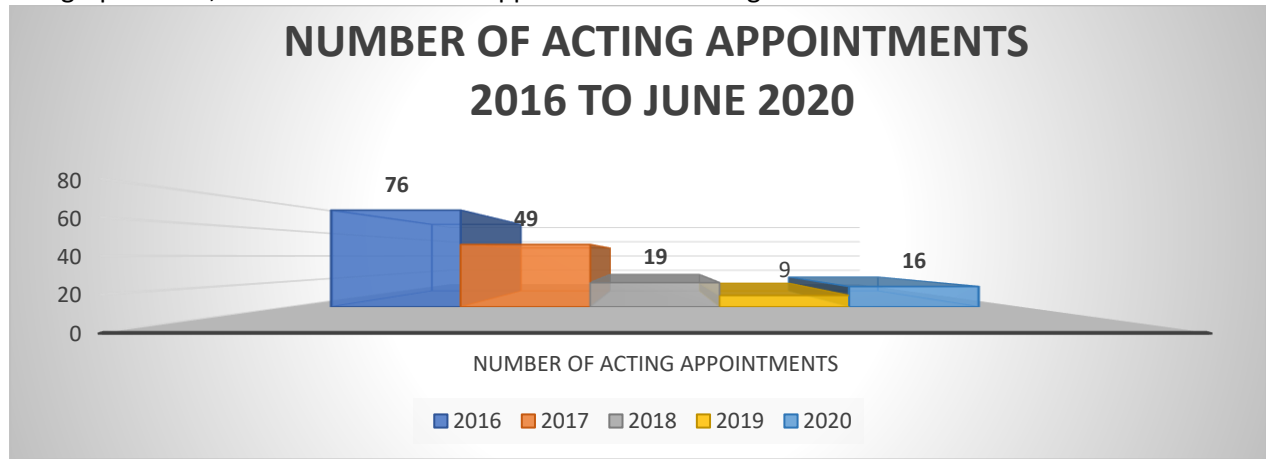
Position	Highest Education Qualification	Work Related Experience	Performance Agreement Signed (where required)	Completed Required Unit Standards	Requirements Met	Compliant (consider Budget)
Accounting Officer	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior Manager (MSA S56)	✓	✓	✓	✓	4	✓
Senior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

2.10.4 ACTING APPOINTMENTS

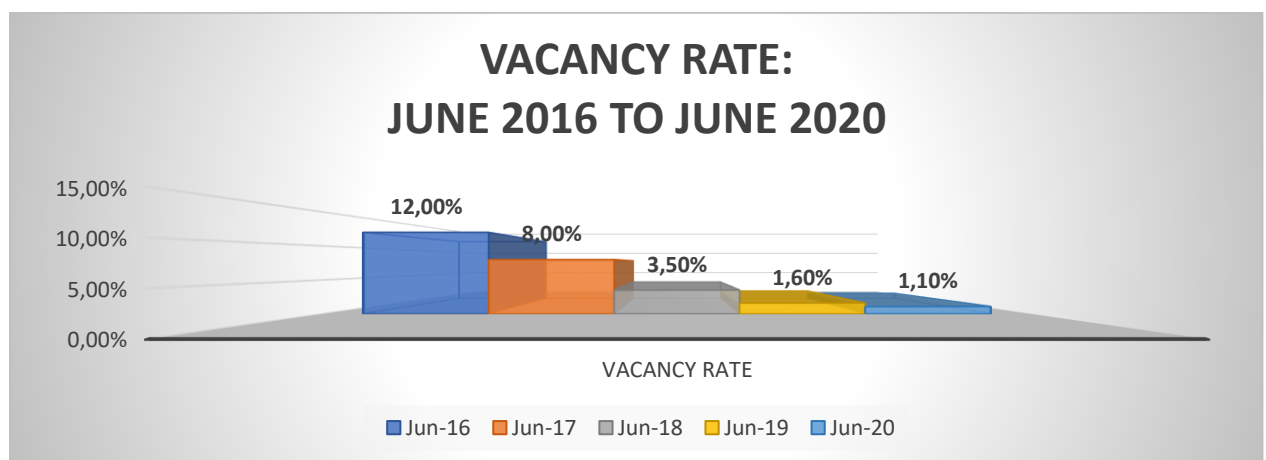
The number of employees appointed in acting positions decreased, from a high of 76 in June 2016, to just 16 at June 2020. This represents a 78.95% decrease. There is also link between the reduction in acting appointments and promotions.

Prolonged periods of acting appointments can also lead to unnecessary disputes. Therefore, it is the municipality's strategy to keep acting appoints to a minimum.

The graph below, shows the trend with appointments of acting staff.



2.10.5 VACANCY RATE

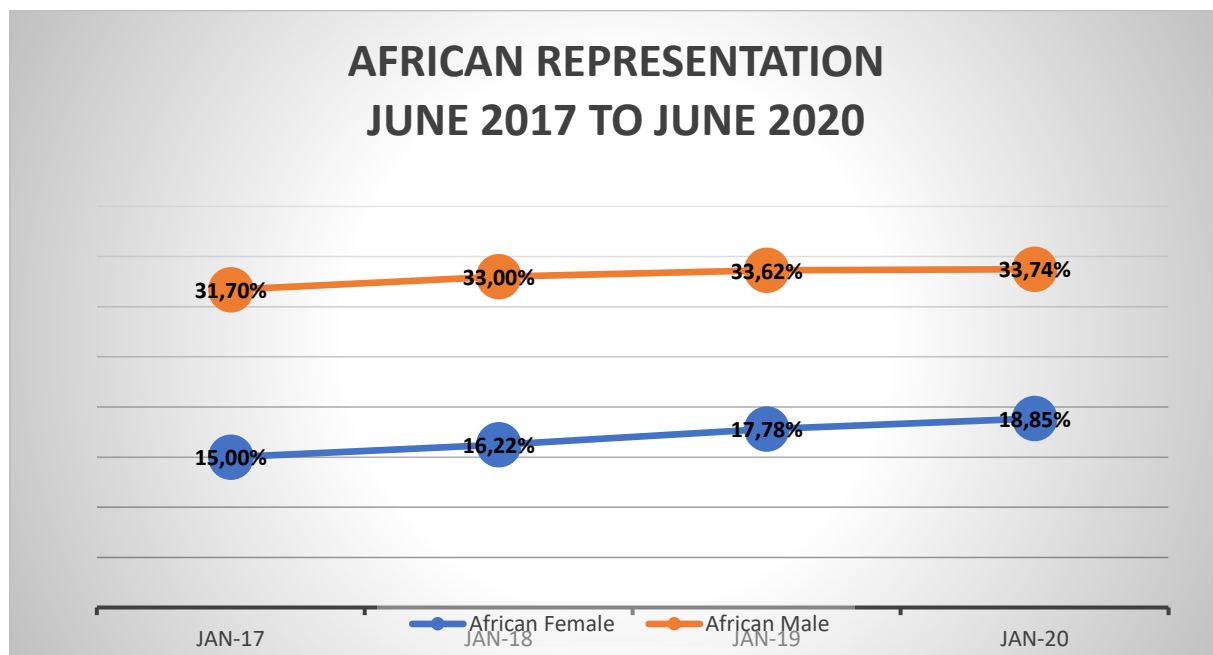


In the above graph, the vacancy rate has seen a steady decrease from June 2016, where it stood at 12%, to 1,10% of budgeted positions in June 2020. The positive reduction in the vacancy rate, means that the municipality fills vacancies rapidly and does not wait for long periods of time to fill vacant positions which ensures seamless continuity in service delivery and support services.

2.10.6 EMPLOYMENT EQUITY

The table and graph below, illustrates a gradual increase in the number African Females as well as African Males from June 2017 to June 2020. This demonstrates that the Municipality has made a concerted effort to employ people from previously disadvantaged groups, especially from African demographics

	June-17	Jun-18	Jun-19	Jun-20	REQUIRED PROVINCIAL EAP %
African Male %	31,70%	33%	33,62%	33,74%	42,30%
African Female %	15,00%	16,22%	17,78%	18,85%	39,50%
Coloured Male %	33,75%	31,32%	29,31%	28,79%	5,60%
Coloured Female %	13,3%	12,75%	12,50%	12,16%	5,00%
Indian Male %	0%	0,00%	0,11%	0,28%	0,40%
Indian Female %	0%	0,11%	0,11%	0,09%	0,20%
White Male %	3,90%	4,03%	3,88%	3,49%	3,80%
White Female %	2,35%	2,57%	2,69%	2,73%	3,10%



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 below 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 30 June 2020. As per the table below, it is clear that significant strides have been made to appoint African Females, African Males, and Females in general.

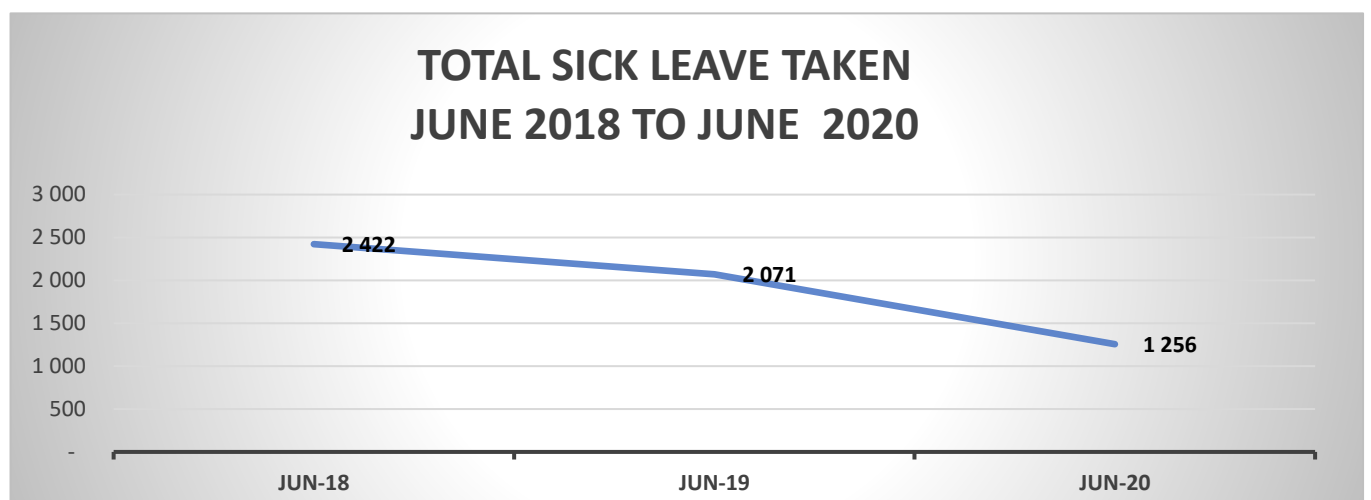
		Male Race 68				Female Race				Foreign Nationals		
		A	C	I	W	A	C	I	W	Male	Female	
Top management												
MARCH 2018		0	0	0	1	0	0	0	0	0	0	1
SEPTEMBER 2020 TARGET		0	0	0	1	0	0	0	0	0	0	1
JUNE 2020		0	0	0	1	0	0	0	0	0	0	1
Senior management												
MARCH 2018		0	1	0	1	2	0	1	0	0	0	5
SEPTEMBER 2020 TARGET		0	1	0	1	2	0	1	0	0	0	5
JUNE 2020		0	0	1	1	2	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management												
MARCH 2018		2	6	0	10	2	3	0	2	0	0	25
SEPTEMBER 2020 TARGET		4	6	0	7	6	3	0	2	0	0	28
JUNE 2020		5	5	1	11	3	2	0	4	0	0	31
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 2020 TARGET		41	66	0	13	39	26	0	16	0	0	201
JUNE 2020		46	69	1	16	31	28	0	15	0	0	206
Semi-skilled and discretionary decision making												
MARCH 2018		134	125	0	7	33	35	0	3	0	0	337
SEPTEMBER 2020 TARGET		147	112	0	8	54	31	0	3	0	0	355
JUNE 2020		161	143	0	5	71	48	0	7	0	0	435
Unskilled and defined decision making												
MARCH 2018		101	83	0	0	61	47	0	1	0	0	293
SEPTEMBER 2020 TARGET		99	75	0	4	61	40	0	3	0	0	282
JUNE 2020		106	57	0	3	73	41	0	2	0	0	282

It is very pleasing to note from the above figures, that the Municipality is edging towards achievement of its targets.

With regards to staff with disabilities, 14 staff have been identified. The Municipality has endeavoured to clear any misperception of disabled employees by embarking on Roadshows which resulted in employees no longer fearing being disadvantaged due to their disabled status. This resulted in employees voluntarily disclosing their disability.

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.

2.10.7 LEAVE STATISTICS

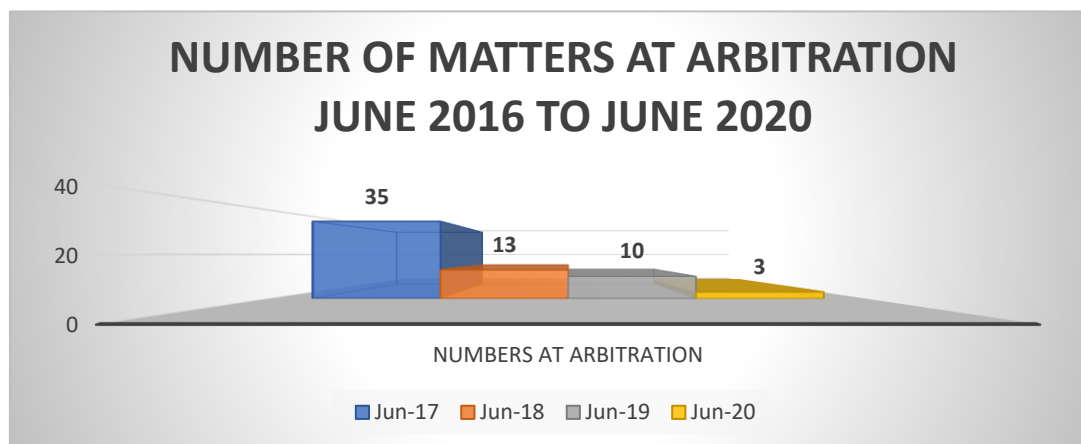


In the graph above it can be seen that the total sick leave drastically decreased from 2422 days in June 2018, to 1256 in June 2020, representing a 48% decrease.

The improved statistics can be attributed to positive morale, work ethic, and more efficient supervision and oversight.

2.10.8 DISCIPLINARY MATTERS

The graph below is a year on year comparison of matters referred to Arbitration. Matters at Arbitration decreased drastically from 35 in June 2017 to 3 in June 2020. This 91% decrease 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.



2.11 OCCUPATIONAL HEALTH AND SAFETY

Compensation Commissioner Compliance					
Submitting return of earnings to the Compensation fund	May 2016	May 2017	May 2018	May 2019	May 2020
	None.	None	Submitted. Letter of good standing received.	Submitted. Letter of good standing received.	Submitted. Letter of good standing received.

For more than 10 years Kouga Local Municipality had not paid the Compensation Fund which meant that none of our employees were covered by the Department of Labour.

At the end of October 2017, the Municipality started paying ROE's after making arrangements with the Department of Labour. Subsequently we received a LETTER OF GOOD STANDING for the first time in more than 10 years. The Kouga Local Municipality has received three consecutive letters of Good Standing from the Department of Labour for 2018, 2019 and 2020.

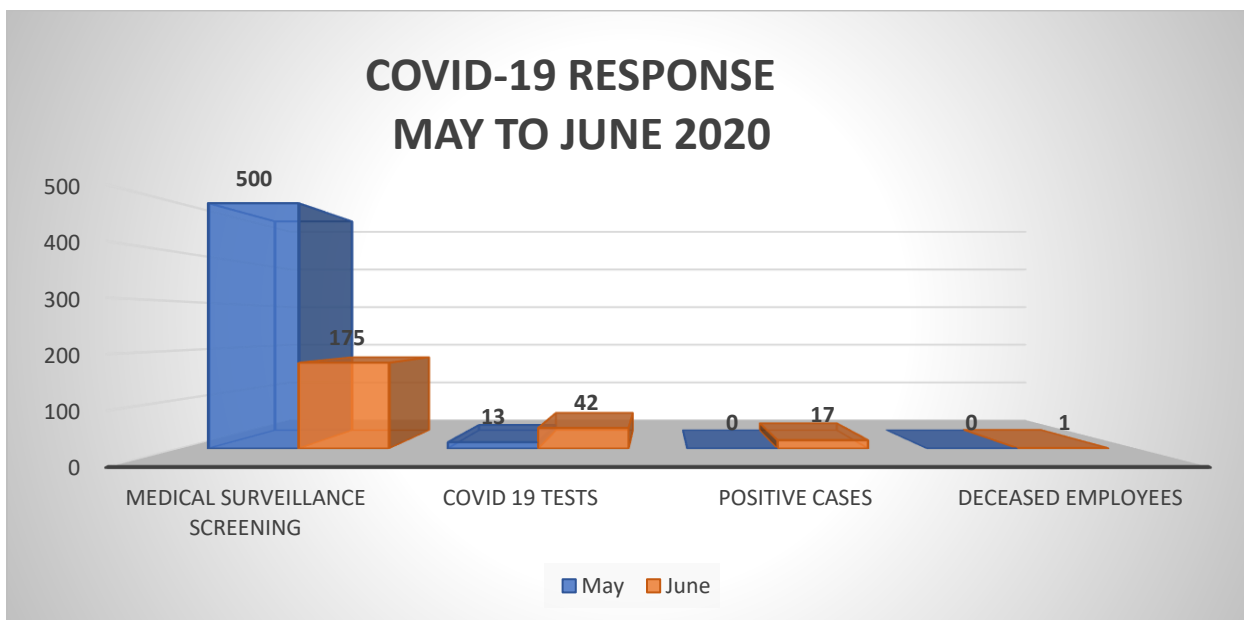
On 11 March 2020, the World Health Organisation ("the WHO") officially declared that the spread of Coronavirus had reached the level of a pandemic. The virus is crossing international boundaries and affecting a large number of people worldwide. Coronavirus is a very serious illness and is potentially lethal. In respect of the workplace immediate steps must be taken in order to attempt to diminish its impact.

Employers are subject to both a common law and a statutory duty in terms of the Occupational Health and Safety Act as well as the Disaster Management Act regulations and the Directives set out by the Minister of Employment and Labour for COVID-19 Occupational Health & Safety measures in Workplaces for COVID-19 (C19 OH), to provide a safe and healthy working environment for their employees.

The OHS section implemented COVID-19 response measures during the Lockdown period. This was to ensure that the Municipal employees work in a Healthy and Safe environment, and that the Municipality adhered to the Lockdown regulations and safety directives as issued by Government.

In the graph below the following statistics are illustrated:

1. 675 employees went for medical surveillance screening during the reporting period
2. 55 COVID 19 tests have been conducted on Municipal Employees during the reporting period
3. 17 Employees has tested positive as at 30 June 2020
4. One employee sadly passed away from COVID-19 at the end of June 2020.



Further to the above, the OHS section also implemented the following to mitigate the risks of the COVID-19 pandemic, and to adhere to the regulations and directives as set out by Government:

As per the table below, the following strict measures have been implemented to manage the COVID-19 requirements and plans.

COVID-19 Health and safety mitigation measures implemented	In Place	
	Yes	No
1. A COVID-19 risk assessment	x	
2. All employees working at the workplace have permits to work	x	
3. A valid COVID-19 Management Plan	x	
4. A COVID-19 Contingency Plan	x	
5. A COVID-19 Policy	x	

6. Staff rotational schedules have been implemented	x	
7. All building and work areas have been sanitized and disinfected	x	
8. Cleaning routines in place (Sanitizing surfaces, sweeping floors and walkways)	x	
9. Floors cleaned thoroughly once a day	x	
10. All employees always have access to hand sanitizer	x	
11. All employees have access to clean water, soap & dry disposable towels	x	
12. Security access control and visitors screening	x	
13. Employees have access to masks, gloves, and sanitizer	x	
14. Employees working with public have access to face shields or screens	x	
15. Employees trained on the use of PPE (Masks, Respirators, gloves)	x	
16. Employees being screened daily upon entry	x	
17. All relevant employees received and signed acknowledgement for COVID-19 effects on vulnerable employees	x	
18. Social distancing being practiced (1.5m) and all facilities / areas meet the max. capacity rule (i.e. 1 person per 4 square meters)	x	
19. Procedures in place to deal with sick employees	x	
20. Restriction to access to premises	x	
21. All essential service employees and permitted services employees went for Medical screening conducted by the Medical surveillance service provider	x	
22. All vulnerable employees identified and referred for medical assessments	x	

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:

KEY NO	POLICY
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

2.13 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	R274 158 400	33.13%
2019/2020	960	R 927 120 485,00	R 297 779 052,71	32.12%

COUNCILLOR ALLOWANCES

Designation	2015/16	2016/17	2017/18	2018/19	2019/2020
Executive Mayor	R758,012	R819 461	R826 414	R859 471	R859 471
Speaker	R606 410	R662 047	R661 129	R687 575	R 687 575
Mayoral Committee (Total)	R3 411 060	R3 700 176	R3 700 176	R3 867 618	R3 867 618
Mayoral Committee (Individual)	R568 510	R616 696	R619 811	R644 603	R644 603
MPAC Chairperson	-	R343 032	R335 630	R349 055	R349 055
Part-Time Councillors (Total)	R4 798 101	R5 151 225	R5 492 109	R5 439 800	R5 439 800
Part-Time Councillors (Per Councillor)	R208 613	R223 966	R261 529	R271 990	R271 990

SENIOR MANAGERS

Position/Benefit	2015/16	2016/17	2017/18	2018/2019	2019/2020
Municipal Manager					
Annual Remuneration	R1 148 392	R1 217 295	R1 395 280	R1 470 625	R1 511 803
Performance Bonus	0	None	To be considered	To be evaluated	
Chief Financial Officer					
Annual Remuneration	R641 667	R1 100 000	R1 317 437	R1 388 579	R1 241 269
Performance Bonus	R33 366.68	R138 000.00	R131 743.69	To be evaluated	

Position/Benefit	2015/16	2016/17	2017/18	2018/2019	2019/2020
Director: Community Services					
Annual Remuneration	R1 019 198	R1 080 349	R 1 145 598	R1 207 460	R1 241 269
Performance Bonus	0	None	R28 639.95	To be evaluated	
Director: Planning, Development & Tourism					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	R1 241 269
Performance Bonus	R69 305.46	(Not eligible)	None	To be evaluated	
Director: Infrastructure & Engineering					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	1R 241 269
Performance Bonus	0	None	R114 559.80	To be evaluated	
Director: Corporate Services					
Annual Remuneration	R1 019 198	R1 080 349	R1 145 598	R1 207 460	R1 241 269
Performance Bonus	R50 959.89	54,017.49	R85 919.85	To be evaluated	

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:

All positions except contractual positions falls within the Remuneration framework as per the TASK grading system.

2.14 LEGAL SERVICES

The role of the legal services function is to render continuous effective and efficient legal support and advise to Council, Committees of Council, the Executive Mayor, the Speaker, Municipal Manager, Directorates and Managers and ensure legal compliance considering applicable legislation, relevant case law and emerging legal trends. It is the role of the legal services department to provide legal opinions, submissions or input on Policies, Contracts, Agreements, Legislation, By-laws, Authorities and item referred to Council or Committees of Council, all with the aim of avoiding litigation and safeguarding the municipality's interests.

Highlights:

Highlight	Description
Establishment of the internal legal function	There were no successful appeals against the municipality regarding the award of tenders and quotations.
	The municipality again managed to settle and clear a number of haunting historical litigious matters which weighed on the municipality's contingent liability.
	Thanks to a strong HR component, a number of Labour matters were finalized with great 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 in the implementation of such policies.
Establishment of a Panel of Legal Services Providers	The Municipality has never, in its history, had a Panel of Legal Services Providers to render external legal services in respect of the different areas of law applicable to a local municipality.
	The tender process commenced late in the 2019/20 financial year for implementation in the 2020/21 financial year.

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 and legal trends.
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.
Historical land transfers – there are a number of historical land transfers which have not been finalized yet	Provide sufficient support staff and budget for associated legal costs.
Review of By-laws – the municipality has a large number of by-laws which require review. Currently due to lack of support staff the review of by-laws is conducted on a piecemeal	Provide sufficient support staff and budget for associated legal costs alternatively request external assistance.

basis, as and when requested by a user department.	
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REGISTER OF LEGAL SERVICE PROVIDERS: 2019/20		
NAME OF LEGAL FIRM	LEGAL DISCIPLINE	LOCALITY
Billet Gouws Attorneys Inc.	Eviction Applications	Jeffreys Bay
C W Malan Jeffreys Bay Inc.	General and Town Planning Matters, including civil and commercial litigation, provision of legal opinions, general legal advise, conveyancing	Jeffreys Bay
Labuschagne van der Walt Inc.	General Civil litigation, provision of legal opinions and general legal advise, labour matters	Port Elizabeth
Mc William's and Elliot Inc.	Civil Litigation and general legal advise	Port Elizabeth
S C Heystek Attorneys	Eviction Applications	Jeffreys Bay
Spangenberg Attorneys	Civil Litigation	Humansdorp

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:

TOWN	RESIDENTIAL ERVEN 2018/19	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2018/19	TOTAL No OF ERVEN 2018/19	RESIDENTIAL ERVEN 2019/20	INSTITUTIONAL /COMMERCIAL/ INDUSTRIAL NUMBER OF ERVEN 2019/20	TOTAL No OF ERVEN 2019/20
Humansdorp	6 752	373	7 125	6 777	373	7 150
Jeffreys bay (incl Aston Bay and Paradise Beach)	11 204	1 419	12 623	12 464	1 419	13 883
ST. Francis Bay	3 456	48	3 504	3 456	48	3 504
Cape St Francis	810	3	813	810	3	813
Oyster Bay	555	13	568	555	13	568
Hankey	2 674	84	2 758	2 674	84	2 758
Patensie	784	67	851	784	67	851
Loerie	471	13	484	471	13	484
Thornhill	491	13	504	491	13	504
TOTAL			29 230			30 515

Note: Humansdorp Kruisfontein 25 new erven serviced Housing development.

Jeffreys Bay Oceanview 1130 new erven serviced Housing development:

Jeffreys Bay Pellsrus 130 new erven services 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

R82 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 652 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 being experienced continues to affect the Kouga region with detrimental consequences especially in the Gamtoos Valley area, especially .Water shedding in the towns of Patensie and Hankey was ongoing during the 2019/2020 financial year. Due to at the extremely low water levels in the Kouga dam. Water shedding was however suspended due to the COVID -19 pandemic but was reinstated during June 2020.
- Drought relief funding allocated to Kouga Municipality which was gazette in October 2018 and was received tranche payments between December 2019 and March 2019.
- Implementation was delayed due to late receipt of funds which necessitated the application to National Treasury for a roll-over of R 98,017,338.00 which was granted.

2018/2019 Allocation = R 151,228,000.00

2018/2019 Expenditure = R 53,210,662.00

2019/2020 Roll over approved = R 98,017,338.00

2019/2020 Expenditure = R 92,561,829.00

- Implementation of drought relief projects continued during 2019/2020. However the due to the regulation promulgated under the National Disaster Management Act and the COVID-19 national lockdown all construction projects closed as from 26 March 2020 until mid May 2020, hence delaying completion of some projects.

Drought relief projects completed as at 30 June 2020

- All groundwater exploration and drilling
- Replacement of ageing water line Oyster Bay
- Replacement of ageing water reticulation in Hankey Town
- Replacement of ageing main water supply line from reservoirs to Ramaphosa Village Patensie.
- Equipping of new boreholes and conveyance infrastructure to treatment works Jeffreys Bay.

3.2 SANITATION (WASTEWATER) 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 backlog that presently exists at all Kouga Wastewater Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 MI/day.

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)	3 532	18	-	-	-	-	785
Hankey	439	837	16	-	-	-	420	1 501
Humansdorp	1 568	939	56	-	-	-	-	5 999
Jeffrey's Bay	787	3 203	46	-	539	-	-	10 231
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	185	-	1 056	150	420	19 927

During the 2019/2020 financial year the upgrading of both the St Francis and Kruisfontein Waste water treatment works were completed and commissioned.

Additional Chemical toilets

- Donkerhoek = 20
- Oceanview = 20
- Stofwolk/Mountain View = 16

New Waterborne connections

- Pellsrus Housing project = 220
- Oceanview Housing project = 1130
- Kruisfontein Housing project = 391

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, 19 927 of the consumer units are already serviced with full waterborne/small bore sanitation, and 9 908 being served by septic/conservancy tanks.

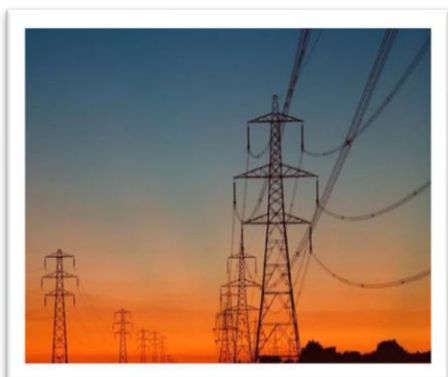
	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	100%	Nil%	100%	100%	100%
2	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 2018/19	Institutional Commercial Industrial 2018/19	Total 2018/19	Residential Consumers 2019/20	Institutional Commercial Industrial 2019/20	Total 2019/20
Humansdorp	7 177	377	7 554	120	5	7 679
Jeffreys Bay	10 135	650	10 785	187	0	10 972
St Francis Bay	2 058	101	2 159	23	0	2 182
Cape St Francis	595	10	605	7	0	612
Oyster Bay	437	12	449	1	0	450
Total	20 402	1 150	21 552	343	5	21 895

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.

During 2019/20 the Department of Energy allocated Kouga Municipality funding to the amount of R 3.2m for the upgrade of bulk infrastructure and the electrification of houses in (Kruisfontein) Humansdorp. A total of 100 erven were electrified during 2019/20.

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	21 895	1 551	200	343	100%
2	Indigent households with access to basic electricity services	6 597	1 551	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. Application for R 18million submitted for electrification projects on the NUSP fund.

- 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 ageing 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	2018/2019 Length (km)	2019/2020 Length (km)
Tar	307,5 km	315,8 km
Concrete	0,2 km	0,2 km
Block paving	7,5 km	10,51 km
Gravel	87,30 km	88,9 km
Total	402,5 km	415,41 km

Increase in road lengths

New roads

- Oceanview Asphalt = 6 445m.
- Oceanview Gravel roads = 1 256m.
- Pellsrus gravel roads = 2 130m.
- Kruisfontein paving = 3 010m.

Existing Gravel roads surfaced.

- Nerina = 400m.
- Maak n Las = 500m.
- Human = 475m.
- Felix = 470m.

Plastic Road.

Approximately 185m of private donor funded recycled plastic road was designed and constructed to full standard with kerbs and stormwater drainage. The upgraded road is situated between the intersections of Woltemade street / Jeffery street and Woltemade Street / St Francis Street. No municipal resources were used under the project and therefore the cost remains undetermined.

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	1km	Nil	100%
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 2019/2020.

During the 2019/2020 financial year funds to the amount R 17,400,000.00 excluding VAT was provided for resealing of roads on the operating budget. The original budget allocated was R 7,650m which budget was increased during the budget adjustment process to R17,4m

A formal tender process was followed for the appointment of a contractor. Tender for: Resealing of roads was advertised under Notice number 175/2019 on 8 October 2019, with closing date for submission of bids on 08 November 2019. At a Bid Adjudication Committee meeting held on 11 December 2019, it was resolved that a contractor be appointed. The appointment letter for Tender 175/2019 was issued on 10 January 2020.

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 = 39 047m²
- Repair road surface = 20 322m²
- Hot Asphalt Overlay = 103 997m²

A total of 12 277m of roads were resealed during the 2019/2020 financial year.

New capital road projects.

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.



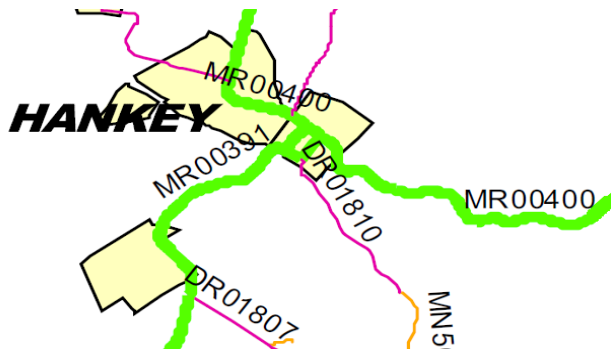
Provincial Road MR00389 runs the length of Da Gama Road up to Woltemade Street, then Woltemade Street up to St Francis Street and up the length of St Francis Street where it turns towards Humansdorp at the Fountains Mall.

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

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 2019			30 June 2020 (R'000)		
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	R53 488	NIL	NIL	R56 697	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R170 380	NIL	NIL	R180 602	R 35 000	R35 000
Total spending to eliminate backlogs	R214 223	NIL	NIL	R237 299	R 35 000	R35 000
Spending on maintenance to ensure no new backlogs	R13 786	R4 230	R 4 230	R14 613	R4 730	R 4 730
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 backlog/total number of households in the municipality)	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infrastructure to eliminate backlogs	R269 040	NIL	NIL	R285 182	NIL	NIL

Basic service delivery area	30 June 2019			30 June 2020 (R'000)		
Spending on renewal of existing infrastructure to eliminate backlog	R150 070	R27 055	R27 055	R159 074	R34 311	R34 311
Total spending to eliminate backlogs	R419 119	R27 055	R27 055	R444 350	R34 311	R34 311
Spending on maintenance to ensure no new backlogs	R9 064	R5 340	R5 340	R 9 607	R5 740	R5 740
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	R493 318	NIL	NIL	R522 917	NIL	NIL
Spending on renewal of existing infrastructure to eliminate backlog	R368 040	NIL	NIL	R390 122	R1.0	R1.0
Total spending to eliminate backlogs	R861 359	NIL	NIL	R913 039	R1.0	R1.0
Spending on maintenance to ensure no new backlogs	R15 894	R9 469	R9 469	R16 847	R25 900	R25 900

3.5 MUNICIPAL INFRASTRUCTURE GRANT IMPLEMENTATION

This report outline how Kouga Municipality effectively and efficiently managed the PMU, specifically in alignment with the principles and objectives underpinning the design of the programme as contained in 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.

	2019/2020	2020/2021	2021/2022
Approved Budget Amount	R 37 996 000.00	R 31 578 000.00	R 34 069 000.00
Adjusted Budget Amount	R 0.00	R 0.00	R 0.00
Spent Budget Amount	R 25 489 405.85	R 0.00	R 0.00
Difference	R 12 506 594.15	R 31 578 000.00	R 34 069 000.00

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 PMU unit resort under the Directorate: Infrastructure and Engineering

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 (Vacant)

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 is located in the same building as the Infrastructure and Engineering Directorate which enable us good communication and therefore providing assistance in te1ms of identification, co-ordination, implementation and supervision of projects.

Staff where possible are regularly attending workshops , training to empower them in executing their roles and responsibilities.

There are recent 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

Monthly the PMU meet 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
¹ Patensie Sewage Package Plant	1 928	5	5	0
¹ Upgrading/Improvement of Sport Facilities within Kouga region	22 500 ³	0	0	0
² Upgrading/Improvement of Sport Facility in Kwanomzamo	22 500 ³	0	0	0
Upgrading of the St Francis Bay Wastewater Treatment Works	2 000	20	20	5
² Upgrading of the Sanitation System in Old Hankey	3300	0	0	0

¹Project under construction.

²Project under planning.

The above table illustrates the projects implemented and still under construction for the 2019/2020 financial year. The figures reflected above are at the time of the report and will increase as the project progress.

³Entire Kouga population has excess to the facility

Objectives as set out in the business plans were mostly achieved when projects were implemented. The effects of the Covid-19 pandemic had both financial and time implications on the projects

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 (EPWP)

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 2019/ 2020 financial year was R 1,000,000.00 which been spend on 8 Incentive Grant Projects, as submitted in the 2019/20 Business Plan.

In total, Kouga Local Municipality managed to create the following number of work opportunities in the 1st, 2nd, 3rd and 4th quarters of the 2019/2020 financial year.

Quarters	No of projects reported	FTE	No of work opportunities created
1 (July – September 2019)	11	13	89
2 (October – December 2019)	19	53	269
3 (January – March 2020)	20	87	380
4 (April – June 2020)	3	1	18

The total amount transferred to Kouga Municipality amounts to R 1,000,000.00, and was distributed in 3 tranches as follows:

- August – R 250 000.00
- November – R 450 000.00
- February – R 300 000.00

Spending Schedule:

The Expanded Public Works Programme Incentive Grant Funds received for the 2019/20 financial year were spent as follows:

MONTH	AMOUNT
July 2019	R58 682.00
August 2019	R103 342.00

September 2019	R85 969.00
October 2019	R62 961.00
November 2019	R131 473.00
December 2019	R190 367.00
January 2020	R367 206.00
February 2020	R0.00
March 2020	R0.00
April 2020	R0.00
May 2020	R0.00
June 2020	R0.00

Total Amount spend from integrated grant - R 1,000,000. The current expenditure rate is at 100%.

Challenges

- Under and non-reporting by other internal departments.
- Submission of certified documents
- Training and reporting on the information system.

Corrective Measures

- Inclusion of performance targets of senior managers
- DPW to facilitate the enrolment of all EPWP champions as commissioners of Oaths.
- One on one training to be conducted on new EPWP information system.

3.7 MUNICIPAL WORKSHOP

Vision

Our vision is to see to it that the fleet of Kouga Municipality is in a proper running condition and to ensure that each person in Kouga Municipal district is getting a high standard of service delivery from the Municipality. The only way the Municipality can achieve its goal of Service excellence towards the community is if its fleet is in a proper safe running condition. It is the Fleet departments vision to expand the current fleet of the Municipality to such an extent that not only the basic service needs are met, but that all other challenges can be dealt with efficiently and smoothly as to take the Kouga Municipality a step further.

Mission

Fleet will see to it that all the vehicles are properly maintained and that the fleet policy will be enforced to prevent damaged and miss use of council valuable resources.

Prevention

The Kouga Fleet section's aim is to reduce incidents or severity of emergencies and accidents with Council vehicles and by proper maintenance, regularly services of vehicles and fault repairs on all vehicles so that a

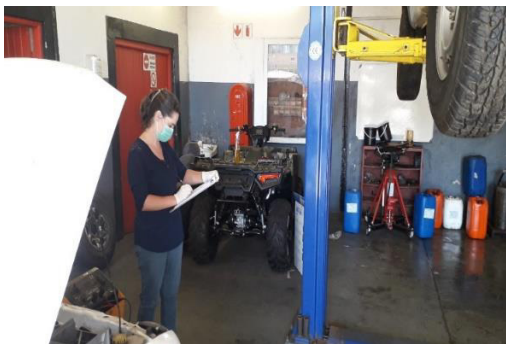
high standard of service delivery towards the community can be achieved. Annual inspections are done by sending vehicles for Certificate of Fitness (COF). According to SANS 10090: 2003

The Fleet department recognised itself as an essential service section and understand the fact that if fleet is closed it will have a devastating effect on service delivery. Therefore fleet went to the extreme by implementing harsh measures to ensure its personal safety during the lockdown period for Covid 19. Fleet is proud to inform council that not one day during the lock down period operations were halted and could continue as normal.



Main functions of the fleet section are as follows.

- It is the Fleet department's responsibility to see that financial and management controls are operating effectively.
- To enforce the fleet management policy.
- Access to fleet vehicles is properly authorized and not operated by unauthorized users.
- All logbooks are reviewed once a month as to give accurate reports.
- To see that the fleet is properly maintained and inspected on a regularly basis according to the fleet policy.
- That the fleet vehicles are protected against damages, theft and abuse.
- See that all fleet vehicles are licensed once a year and all trucks to be sent for Certificate of fitness according to traffic regulations.
- Adequate monitoring of fleet usage/cost of fleet.
- Monitoring the fuel usage of each vehicle and small plant.
- Adequate monitoring of the tracker system.



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 two hundred and thirteen (212) 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.

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.
- It is essential to full all vacant positions so that a proper service can be rendered to all the other relevant departments as not to hamper service delivery towards the community, currently we can't send the eight contract workers on courses relevant to their work that they are doing presently. The current contract workers are very capable and eager to learn. It will only be in the interest of the municipality to appoint these eight workers and to put them on a career path.
- Two admin clerks need to be appointed in the fleet section, there are vacant potions available, unfortunately the posts are still not funded.
- To purchase one new vehicle for the workshop.

Recommended Solutions

- Adequate budget needs to be made available for the upgrading of infrastructure and the staff component in the fleet section. When the fleet resided under Mr. S. Baartman he had sufficient staff to assist him with his day to day admin, when fleet and asset split only two admin staff members stayed behind, fleet is now operating as a section on its own and urgently needs attention to its staff component.

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 2019/2020 this service responded to a total of **2215** incidents, which includes servicing and repairing of vehicles, repairing COF faults, and doing preventative maintenance.

BELOW IS A TABLE OF JOB CARDS, REQUISITIONS AND MONEY SPEND FOR 01 JULY 2019 TO 30 JUNE 2020

ITEM	JULY 2019	AUG/SEP 2019	OCT/NOV/DEC 2019	JAN/FEB 2020	MARCH/APRIL 2020	MAY/JUNE 2020	TOTAL
Workshop Job Cards	108	262	226	112	149	223	1080
Service Provider Job Cards	89	88	132	61	83	97	550
Tyre Job Cards (Procured)	28	67	79	83	59	53	369
Tyre job Cards (Repaired)	21	60	46	41	55	51	274
Tyres Procured	42	133	133	80	104	90	582
Tubes Procured	0	0	0	0	2	1	3
Tyres Amount Procured	R90 974,5	R256 319.97	R297 866.61	R184 072.15	R56 496.59	R207 968.60	R1 293,698.42
Tubes Amount Procured	0	0	0	0	R 280.00	R102.64	R382.64
Tyres Repaired	21	77	93	44	61	61	357
Tubes Repaired	0	0	0	0	0	1	1
Second-hand tyres	0	0	0	0	0	8	8
Vehicle License Costs	R 347.40	R 1088.40	R 2401.10	R 450.72	0	R 854. 88	R 514 ,250,00
COF Costs	R 564.00	R 1692.00	R 3102.00	R 426.00	0	R 480.00	R 6 ,264,00
Hire Vehicle Costs	R2 477.50	R4 917.27	R1 170.00	R1 155.00	R15 503.15	R30 000.00	R 1,017,480.15
Requisitions to SCM	87	265	401	248	199	215	1415
Orders Received	86	238	372	236	185	200	1317
Orders Paid inclusive of new vehicle purchahses	R587,645.55	R1,128,459,84	R4,537,705,74	R1,226,503.74	R 1,324,087,11	R 3,923,954,77	R 12,728,356.75
Total Fuel costs Vehicles and small plant							R 7,941 239.92

Mechanical repairs

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



Since fleet and assist had divided into different sections the workshop started to overhaul and rebuilt old worn engines, this contributed substantial savings.



On the job informal training is also been given and all types of welding can now be done at the workshop.

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 it had to be replaced or refurbished. The fleet section took it upon them to start refurbishing the badly rusted bodies of the vehicles to a fraction of the cost to purchase new vehicles, below is a list of the vehicles that were refurbished.

MONTH OF REFURBISHMENT	TYPE OF VEHICLE	REGISTRATION NUMBER	DIRECTORATE
AUGUST 2019	CHERRY PICKER	BHD 162 EC	I & E
AUGUST 2019	FIRE TRUCK	CLP 384 EC	COMMUNITY
AUGUST 2019	NISSAN L.D.V	DNZ 484 EC	I & E
AUGUST 2019	FORD RANGER	DTB 657 EC	I& E
AUGUST 2019	NISSAN LDV	DYH587EC	I&E
SEPTEMBER 2019	NISSAN UD40	DZS144EC	PUBLIC WORKS
SEPTEMBER 2019	NISSAN LDV	DYH599EC	PUBLIC WORKS
SEPTEMBER 2019	COROLLA SEDAN	DTD514EC	COMMUNITY SERVICE
SEPTEMBER 2019	NISSAN LDV	DYH599EC	I&E
OCTOBER 2019	ISUZU LDV	FKM549EC	COMMUNITY SERVICE
OCTOBER 2019	NISSAN PATROL	HSJ807EC	FIRE DEPARTMENT
OCTOBER 2019	NISSAN LDV	CXP548EC	I&E
NOVEMBER 2019	FORD RANGER LDV	DTB662EC	ELECTRICAL
NOVEMBER 2019	NISSAN UD90	FLW544EC	COMMUNITY SERVICE
NOVEMBER 2019	NISSAN TRUCK	DVP732EC	PUBLIC WORKS
NOVEMBER 2019	ISUZU LDV	FKM543EC	COMMUNITY SERVICE
JANUARY 2020	FORD RANGER LDV	DTB659EC	I&E
JANUARY 2020	NISSAN TRUCK	BLH914EC	FIRE DEPARTMENT
JANUARY 2020	NISSAN UD90 SANITATION TRUCK	DXM914EC	I&E
JANUARY 2020	NISSAN UD80 TIPPER TRUCK	DVS003EC	I&E
FEBRUARY 2020	CHERRY PICKER	BFC267EC	I&E
FEBRUARY 2020	ISUZU SUCTION TANKER	CMD328EC	I&E
FEBRUARY 2020	MAN TIPPER TRUCK	FMS644EC	COMMUNITY SERVICE
FEBRUARY 2020	NISSAN LDV	JKF372EC	I&E
MARCH 2020	CHERRY PICKER	BHD162EC	I&E
MARCH 2020	ISUZU SKIP TRUCK	CMX729EC	COMMUNITY SERVICE
APRIL 2020	KOMATSU TLB	DXC534EC	COMMUNITY SERVICE
MAY 2020	ISUZU SANITATION TRUCK	DNH308EC	I&E
MAY 2020	JOHN DEERE TRACTOR	CFP613EC	PUBLIC WORKS
MAY 2020	FORD TRACTOR	BMY770EC	COMMUNITY SERVICE
MAY 2020	DENNIS FIRE TRUCK	DVS234EC	FIRE DEPARTMENT
JUNE 2020	ISUZU LDV	FHY439EC	COMMUNITY SERVICE
JUNE 2020	FORD LDV	DSV890EC	FINANCE
TOTAL	33		

BELOW ARE SOME PICTURES INDICATING IN WHAT CONDITION THE VEHICLES WERE BEFORE REFURBISHMENT AND AFTER COMPLETION.



Before



After



Before



After



**Before****After****Suction truck**



Old Ford tractor Before



After



FIRE damage to bumper



Newly fitted off-road bumper



Refurbished truck cab



Refurbished Isuzu double cab



Refurbished old Fire Tanker





Old sanitation unit removed from burned-out truck and refitted to refurbished chassis cab.



Old Fire Truck broken for 3 years.



Refurbished Fire Truck



Man Tipper Truck refurbished



Komatsu TLB refurbished

New vehicles purchased during 2019/2020

DEPARTMENT	TYPE OF VEHICLE	REGISTRATION NUMBER
COMMUNITY SERVICE LIFE GUARD	PULARIS QUAD BIKE	
COMMUNITY SERVICE	BELL TLB	JLZ144EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY1532EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY152EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY145EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY158EC
ELECTRICAL DEPARTMENT	TOYOTA LDV	JNY165EC
ELECTRICAL DEPARTMENT	BELL TLB	JLZ148EC
FLEET WORKSHOP	NISSAN NP300	JMR899EC
DISASTER MANAGEMENT	FORD RANGER LDV	JNC189EC
DISASTER MANAGEMENT LIFE SAVING	FORD RANGER LDV	JMW465EC
FINANCE	TOYOTA LDV	JMW468EC
FINANCE	TOYOTA LDV	JMW474EC
PUBLIC WORKS	BELL TLB	JLZ142EC
PUBLIC WORKS	BELL TLB	JMM501EC
PUBLIC WORKS	TOYOTA LDV	JNY516EC
REFUSE	BELL TLB	JLZ145EC
REFUSE	BELL TLB	JLZ139EC
REFUSE	BELL TLB	JLZ151EC
SEWERAGE	NISSAN NP200	JMR905EC
SEWERAGE	TOYOTA LDV	JNY161EC
SEWERAGE	TOYOTA LDV	JNY170EC
WATER	BELL TLB	JLZ147EC
PROTECTION SERVICES	NISSAN NP200	JLW106EC
PROTECTION SERVICES	NISSAN NP200	JLW115EC
PROTECTION SERVICES	NISSAN NP200	JLW479EC
PROTECTION SERVICES	NISSAN NP200	JLW109EC
PROTECTION SERVICES	VW POLO SEDAN	JMD377EC
PROTECTION SERVICES	VW POLO SEDAN	JMD366EC
PROTECTION SERVICES	VW POLO SEDAN	JMD370EC
PROTECTION SERVICES	VW POLO SEDAN	JMT269EC
TOTAL	31	





B's



New Lifesaving vehicle

New Traffic cars



New LAW Enforcement vehicles

Fuel usage for vehicles and small plant for the 2018/2019 versus 2019/2020 financial year.

Description	2018/2019	2019/2020	Difference
Total amount litres fuel purchased 2018/2019 versus 2019/2020	514,614.15 L	551,588.04 L	36,973.89 L
Fuel expenditure 2018/2019 versus 2019/2020	R7,758,365.68	R 7,941,239.92	R 182 874.24

TYRES PROCURED FROM MUNICIPAL STORES

Description	2018/2019	2019/2020	Difference
New tyres procured 2018 /2019 versus 2019/2020	734	582	152 tires less van 2018/2019
Value of tires procured 2018/2019 versus 2019/2020		R 1,293,698.42	

License expenses for 2019 - 2020

MONTH	AMOUNT
JULY 2019	R 34,740.00
AUGUST 2019 – September 2019	R108,840.00
October 2019 - December 2019	R240,110.00
January 2020 – February 2020	R 45,072.00
March 2020 – April 2020 (Lock Down)	R -----
May 2020 – June 2020	R 85,488.00
TOTAL	R 514,250.00

VEHICLES TO BE WRITTEN OFF

The following vehicles must be auctioned off, the vehicles are old and in bad condition, therefor the vehicles are uneconomical to be repaired.

REG. NUMBER	TYPE OF VEHICLE	REASON TO BE WRITTEN OFF	DEPARTMENT
FKB676EC	CHEV CRUIZE	BLOWN ENGINE	PROTECTION SERVICES
DRY769EC	CHEV AVEO	BODY AND ENGINE	PROTECTION SERVICES
BWY558EC	NISSAN SENTRA	BODY AND ENGINE	ASSETS
FYG876EC	TRAILER	RUST	PUBLIC WORKS
FYG884EC	TRAILER	RUST	PUBLIC WORKS
BPH856EC	FORD COURIER LDV	ENGINE AND BODY	FIRE DEPARTMENT
FJG866EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG860EC	TRAILER	RUST	PARKS AND OPEN SPACES
FYG881EC	TRAILER	RUST	PUBLIC WORKS
BJX931EC	MAZDA LDV	BODY AND ENGINE	PUBLIC WORKS
FYG859EC	TRAILER	RUST	PUBLIC WORKS
FYG868EC	TRAILER	RUST	PARKS AND OPEN SPACES
DXC542EC	KOMATSU TLB	ENGINE AND BODY	ELECTRICAL
CGT410EC	TOYOTA LDV	BODY AND ENGINE	WATER
DTB654EC	FORD RANGER LDV	BODY AND ENGINE	ELECTRICITY
CYK569EC	FORD RANGER LDV	BODY AND ENGINE	WATER
JGL065EC	TOYOTA HILUX LDV	BODY AND ENGINE	WATER

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 2019/2020 financial year.

Number of staff trained 2019/2020	Course	Where trained	Funded by who
Two	CPMD	Jeffrey's Bay	Kouga Municipality
One	Safety Rep.	Jeffrey's Bay	Kouga Municipality

2019/2020 Projects completed by Fleet:**Vehicle Park at Humansdorp Fire Station****Used tyre storage facility****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 Constitution the Municipality has sole mandate to collect domestic waste from residents and this is paid 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 minimisation and waste diverted away from landfill sites. It focuses on improved modes of collection, infrastructure, recycling and production partnerships and aims to change behaviour 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 minimisation 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 mobilised 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, which address the desired outcomes in the IDP.
- 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 2019/20

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

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 2019/20:

The department participated in the following events:

- Successful hosting of the Winterfest 2019 (6 – 22 July 2019) and J Bay Makiti (20-22 September 2019). The Winterfest event was declared a green event and the following recycling products were collected from the Winterfest 2019: Glass 5 750kg, PET 210kg, K4(box)1 450kg, Alu Cans 85 kg, Plastic 185kg.
- Mandela Day 18 July 2019 – clean ups in Humansdorp, Pellsrus School, main Beach Jeffreys with Pharos School
- International Coastal Clean Up - "Nature knows no **waste**". (21 September 2019)
- World Environmental Day 5 June 2020
- The Waste Management section managed to install 21 swivel bins before the start of the festive season in designated areas for litter disposal introduced additional skip bins in busy areas
- Procurement of 10 073 240 l wheelie bins

During the 2019/2020 financial year 10 073 bins (2 333 bins with COVID-19 funding) were procured.



Kouga Municipality started distribution of wheelie bins in Jeffreys Bay from May 2020. The Wheelie bins have been rolled out to all the residential areas in Jeffreys Bay. The distribution in the first week started in Ocean View, Pellsrus, Tokyo Sexwale and Mandela Bay. The roll-out then moved to Aston Bay and Paradise Beach, followed by the remainder of Jeffreys Bay, including C-Place, Wavecrest and Kabeljous, during the last three weeks of June. The initial roll-out focused on residential houses. During the roll out to Jeffreys Bay it was found that many residents are not home when delivery took place, and many are holiday homes. Residents who have not received bins can collect bins during office hours at Pellsrus Community Hall or register with the waste section for delivery. The last phase of the roll out will be to Sea Vista, St Francis Bay, Cape St Francis and Oyster Bay from the last week in July 2020. This roll-out is planned to be completed by mid - August.

Four municipal refuse compactor trucks had bin lifters installed to assist with effective and efficient refuse collection. As from 1 July 2020 residents have been encouraged to use their wheelie bin.

The table below summarizes the bins that has been delivered:

AREA	NUMBER OF BINS
Hankey	2 314
Loerie	474
Thornhill	403
Patensie	712
Humansdorp	5 710
Pellsrus/Mandela/Sexwale/ Aston Bay/ Paradise/ Jeffreys Bay/Ocean View	6 557
TOTAL	16 280

Plot Clearing

Overgrown plots have been a challenge in all Kouga areas and creates a health and fire risks. The department started with a private plot clearing programme to reduce the risk.



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 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.

“Dromers” hard at work



Other volunteer groups doing beach clean ups on a monthly basis, is Sea Shepherds.
No dumping signs have been erected at most of the hot spots

Sea shepherds



No dumping signs



Volunteer cutting grass



Launch of Animal Management Committee

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

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	2019/2020
Total Number of Businesses	1 106	1 106	1 246	1 296
Total Number of formal households	22 130	29 641	30 032	30 032
Total Number of informal settlement households	3 990	7 939	9 779	9 779
Total Number of backyard dwellers	3 977	3 977	4 122	4 344
Total Number of Flats	223	223	242	242

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

AREA SERVICED	2019/2020 EQUIPMENT
Jeffreys Bay	3 x Compactor Trucks (1 with 240l bin lifting mechanisms) 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**ST FRANCIS BAY**

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
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

GAMTOOS VALLEY

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
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

JEFFREYS BAY

DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
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	Jeffreysrus, Oceanview (part) Domestic

	JBD 519 EC DWV 246 EC JBG 916 EC	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	Pellrus (part), Tokyo Sexwale domestic, Business, Mandela bay domestic, Business, Caravan park, Pellrus (part) All Parks along the beach, entrances, town and townships. Litter Picking bags.

HUMANSDORP

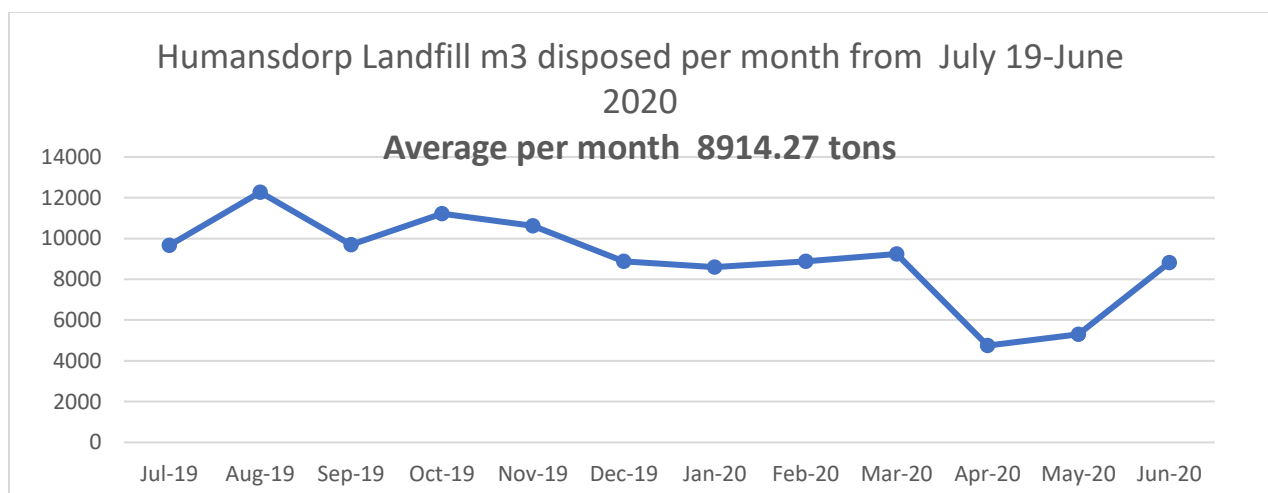
DAY	VEHICLE REGISTRATION	DESCRIPTION OF WORK CARRIED OUT
MONDAY	FMX 511 EC BCX 587 EC	West side of Town, Melt Melville Business in Voortrekker weg, Panorama, Main Street, Kynoch, Koelkor, Midas, Jet, Saverite, Motolek, Midas, Spar, 95 on Main, Kouga Kitchen, Madida House, Hospital, Country Club, Nico Malan and Arcardia Shopping Centre
TUESDAY	FMX 511 EC BCX 587 EC	East side of town, Boskloof, Ambulance Boblok, Graslaagte, St Patrics School, PeP 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, Engine, Spar, 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, Kynoch, East of town and Spar, P. Z. Meyer Hospital and Arcardia Shopping Centre.

Business, Commercial and Other Waste Collection

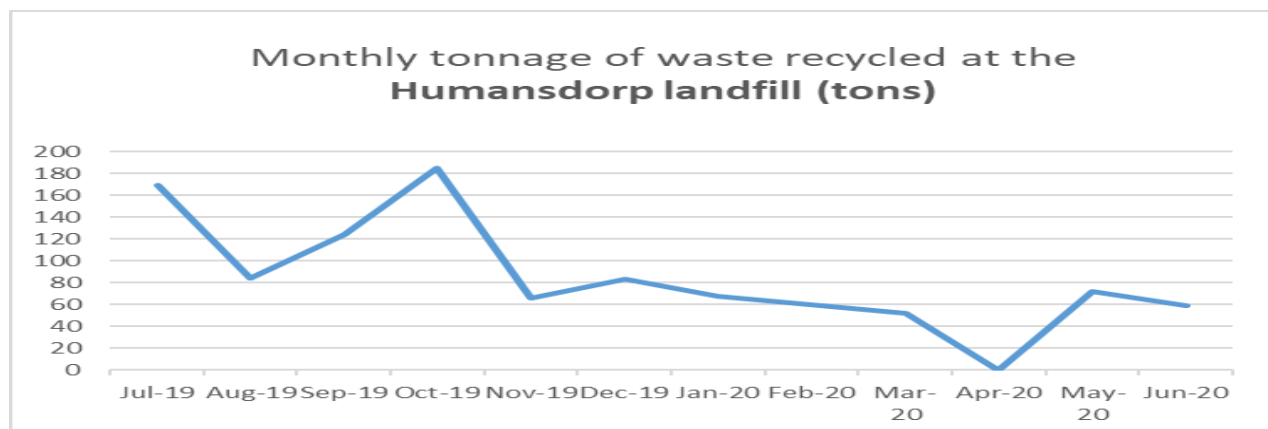
Waste is collected from businesses weekly in all towns in Kouga Municipal area. Some of the main commercial centres in Humansdorp are serviced twice a week, because many of the businesses in these areas have limited space for waste storage. Other commercial businesses in Jeffreys Bay receives a collection 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.

Graph 3: Humansdorp Landfill waste disposed per month



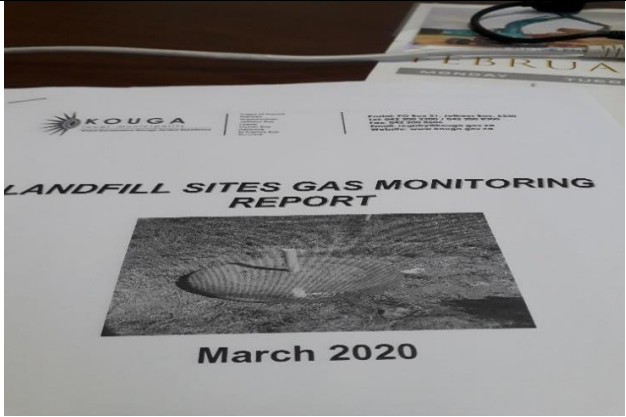
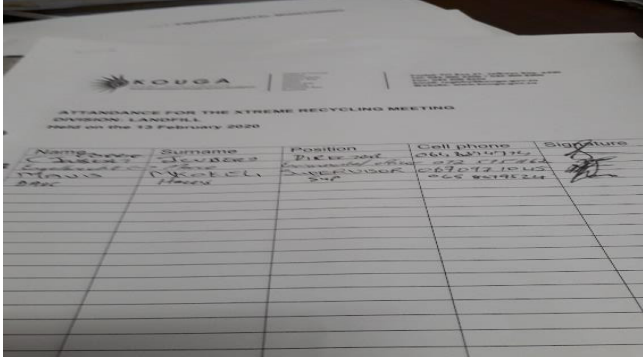
Graph 4: Monthly waste recycled at the Humansdorp Landfill

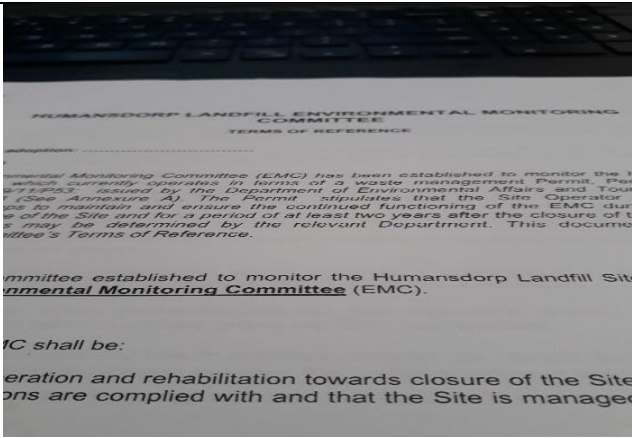
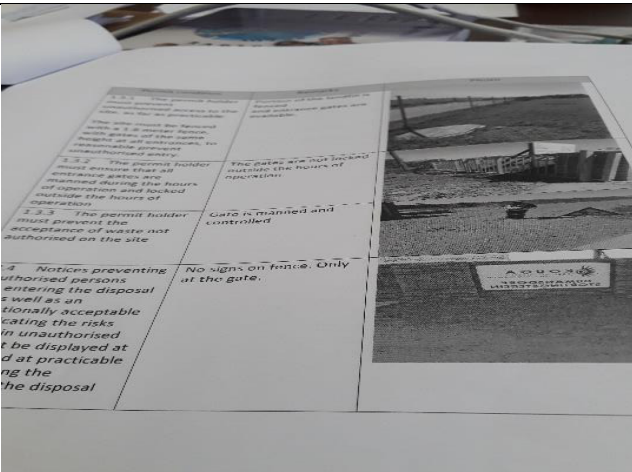


General

The Table below represents the actions carried out at the Humansdorp and Hankey landfill during July 2019 – June 2020.

Landfill action report

	Action	Remarks	
1.	In the process of installing a Landfill gas monitoring system in compliance with the landfill permit.	A total of 9 gas probes have installed at the Humansdorp and Hankey Landfills. A monitoring report has been drafted.	
2.	The site boundaries was plotted on site. This is to be undertaken to ensure that the landfill is operating in the permitted area.	The landfill boundaries have been located and markers installed at the Humansdorp landfill.	
3.	A meeting was held with the recycling company to ensure contract compliance and increase recycling.	Monthly meeting instituted.	

4.	The reclaimers operating on the landfill being registered. This has been carried out to increase recycling tonnages and to ensure landfill compliance.	A landfill paper picking cleanup undertaken every Wednesday.	
5.	The terms of reference were drafted for the Landfill monitoring committee that must be established in terms of the landfill permit.	A monitoring meeting was held on the 10 June 2020. Landfill in compliance with permit.	
6.	The landfill compliance files in terms of the landfill permit was started. This includes an action report plan with photo matrix evidence to prove compliance.	The report will be ongoing. The Hankey Landfill compliance is at 85% and the Humansdorp landfill compliance is at 66% at end June 2020.	

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.9 LIBRARIES, MUSEUMS AND COMMUNITY FACILITIES

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.

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.

Challenges

Phillipsville & Ramaphosa Libraries still using pre – paid electricity

Possible Solutions

To facilitate the installation of conventional electricity by Infrastructure Department (IPD)

LIBRARY INFORMATION SERVICES STATUS QUO

Library name	Email address	Computers for staff	Computers for public
Hankey South Library	hankeysouthlibrary@kouga.gov.za	1	5
Hankey North Library	hankeynorthlibrary@kouga.gov.za	1	1
N. B Mathodlana	nbmathodlanalibrary@kouga.gov.za	1	3
7de Laan Library	7deLaanlibrary@kouga.gov.za	1	2
Humansdorp Library	humansdorplibrary@kouga.gov.za	1	4
Kruisfontein Library	kruisfonteinlibrary@kouga.gov.za	1	4
Ukhanyiso Library	ukhanyisolibrary@kouga.gov.za	1	4
Jeffreys Bay Library	jeffreysbaylibrary@kouga.gov.za	2	4
Tokyo Sexwale	tokyosexwalelibrary@kouga.gov.za	0	4
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	4

Library name	Email address	Computers for staff	Computers for public
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.

Breast Cancer Presentation in Loerie Library 16 October 2019



Girls Health Wellness Talk in Patensie 30 October 2019



Disability Awareness in Kruisfontein Library 13 November 2019



Read Aloud Day In Sea Vista Library February 2020



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.

Achievements

- 20 lawn mowers and 38 side cutters were procured
- Public open spaces were cleared and beautified during the 2019/20 financial year and Procurement of 11 Play parks
- Fencing at the Pellsrus Outdoor Gym Park
- Upgrading of the Pellsrus Park, Kabeljouws park and Cape St Francis Bay Park which included the installation of benches, erecting of a ramp, installation of waste containers, installation and painting of poles, landscaping, erection of braai stands
- Upgrading of the Patensie Park

Procurement of Grass Cutting Equipment



Play Parks



Disabled ramp at Kabeljouis Park:



Landscaping



Fencing of Pellsrus Gym



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 applications for the establishment of 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

- A Consultant 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 upkeep of the existing cemeteries.

Status Quo of Cemeteries

AREA	WARD	BURIALS PER YEAR 2019/20	EXISTING SPACE	LIFE SPAN	POTENTIAL EXPANSION
Humansdorp					
Town	15	179	47 + 185 = 232 graves	1,3 years	Extension was done on Council land adjacent to the cemetery (185 graves)
Kwanomzamo	6	89	585 graves	6.5 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	130	437 graves	3.4 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	131	No space available	none	Encroachment took place and it was stopped. Land was identified in Milton on the Congregational church land
Town	9	28	40 graves	2 years	Erf 17 Commonage – adjacent to Hankey Cemetery
Milton	9	1,		2 years	Congregational church land
Weston	13	2	37 sites	3 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	93	4		Erf 300
THORNHILL					
Private Land	7	12	101	None	No Municipal Land, busy with EIA. Extra space was given by Farm owner
LOERIE					
Loerieheuwel	7	26	41 graves	1.2 years	Explore new Cemetery

Achievements

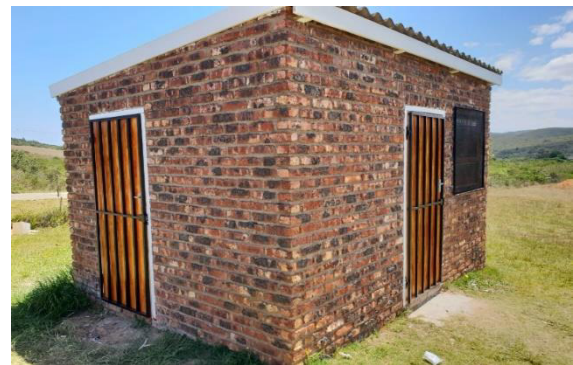
- Cleaning of nine Cemeteries by SMMEs.
- Fencing and cleaning of Centerton cemetery by the local SMME.
- Fencing of the C-Place cemetery ablution facility.
- Upgrading the Loerie Cemetery guard house.

C-Place Cemetery



Loerie Cemetery:

Upgrading of the guard house + toilets



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.

The Waste and Environmental Section attended The Institute of Waste Management of Southern Africa's Eastern Cape Branch, the 'Surfs Up... Or Is It?' Waste Conference, which was hosted at the World of Windows venue at Nelson Mandela Bay Stadium on the 29 October 2019.

The conference focused on the devastating effects of water pollution and explored the current challenges faced on a local and global scale. Industry professionals shared valuable research and possible solutions. Exhibitions relative to the marine industry was on display.

The long-term vision is to manage, protect and sustainably use the natural assets of all Kouga areas, in partnership with the relevant communities, to preserve and ensure the continued existence of our rich biodiversity and its associated ecological processes and services of our environment.

HIGHLIGHTS: ENVIRONMENTAL MANAGEMENT SERVICES
Greenest Municipality Competition: Kouga Municipality came second in the 2019 Eastern Cape Greenest Municipality Competition, it was the first time the municipality had participated in the competition. Kouga has accelerating its efforts to go green this past year and the award is confirmation that we are on the right track. The award recognized several initiatives introduced by the municipality, aimed at promoting sustainable development to the benefit of all communities and the planet as a whole.
Keep Kouga Green Launch Kouga Municipality launched the Keep Kouga Green campaign in Humansdorp. The purpose of the campaign is to raise awareness of climate change and the role each one of us can play to help slow this global challenge down and minimise the harmful impact on communities. We were honoured to have our first 60 “green ambassadors” – 15 pupils per school Graslaagte, Mzingisi, St Patrick’s and Sea Vista primary schools – joined for the launch.
International Climate Change Workshop: Kouga has furthermore been building on its climate change partnership with the German municipality Ilsfeld and had the privilege of being chosen to host an international climate change workshop, a first for the region - in October 2019. More than 100 delegates from nine countries, representing three continents - Africa, South America and Europe – attended and it was an invaluable opportunity for participants to share and learn from each other’s experiences.
Construction of Access Road: Kouga Municipality has constructed a 3.5 m wide access road from Aldabara Run to the St Francis Spit. An aggregate road surface was constructed, with a 135 mm thick G5 wearing course and 150 mm thick G7 subbase layer. The access road is there to provide access for construction & emergency vehicles to minimise the risk of the Spit.
Construction of an Emergency Revetment: Kouga Municipality declared a disaster after the Spit breached in April 2020 which allowed the activation of the emergency plan and begin repair work on the most vulnerable areas of the Spit. The municipality immediately reinforced the Spit dune with sand and commenced to provide further protection by constructing emergency rock revetment protection in the most vulnerable areas. In doing this emergency work, the Municipality is continuously working with the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) to ensure environmental compliance.
Tree Planting: Kouga Municipality has initiated a tree planting drive as a commitment to combating climate change. Trees do not only create the oxygen we breathe and need to survive, they also remove harmful greenhouse gases from the air, and plays a major role in cooling down the planet. During the financial year 2019/2020 Kouga Municipality Planted 852 trees around Kouga.

Award at Greenest Town Competition and School education programme



Education and awareness

Recycling Bins were distributed to schools, all Council Offices, Libraries, Halls and Caravan Parks. 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.

3.11.1 ENVIRONMENTAL PROTECTION

Environmental protection is a 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 monthly 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 minimisation to remedy and minimise 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 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.

CWP Assisting in Clean ups



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.

Beaches are cleaned constantly and further provides protection services to ensure discipline, but there is currently not enough capacity to do this on a fulltime basis. Visits are seasonal and weather permitting.

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.

Our mission is to conserve the rich biodiversity, diverse natural ecosystems and cultural heritage characteristics of our environment through the implementation of management programmes that have clearly defined management goals and objective for the enlightenment, enjoyment and benefit of present and future generations.

The municipality has partnered with FOSTER to protect the nature reserves in Cape St Francis. Additional properties have been identified of high ecological and biodiversity importance and will be consolidated into the Erma Booysen Nature Reserve.

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. Coastal Management is currently a new concept within the municipality and Kouga municipality has adopted a Coastal Management Plan in terms of the Integrated Coastal Management Act. Coastal Management will have an impact on various functions within the Municipality such as Planning & Development as well as Infrastructure and Engineering.

3.11.4.1 Oyster Bay – Dune Rehabilitation In February 2019 the department commenced with the removal of sand which were encroaching on Brander Street and adjacent properties in Oyster Bay. A total of 85 000m³ sand was moved during the operation, while opening of Brander street and adjacent properties have been proclaimed. Approximately 80% of the dunes overrunning Brander Street have been pushed back, except for one dune where the Black Oyster birds were nesting. The photos below show work completed. The residents of Oyster Bay were pleased with the work that had been carried out. The maintenance of dunes will be priority in new financial year.

Dune Encroaching on Brander Street and Adjacent Properties



Oyster Bay dune removal



Brander street opening



The artificial breaching of the estuary mouth commenced on March 2020 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.

Seekoei Estuary Mouth allowing sea water into the Estuary.



3.11.4.3 St Francis Bay – Rock Revetment

Kouga Municipality appointed PRDW consulting to construct the Access Road from Aldebara Run to the St Francis Bay Spit. The purpose of the access road is to gain access to the site during construction of the rock revetment and for maintenance and repair of the revetments. In April 2020 Kouga Municipality declared a disaster at the St Francis Bay Spit after horrific storm surges that made the spit to breach. Kouga Municipality constructed 202 meters emergency rock revetment after a breach by horrific storm surges that caused the spit to breach.

Access road to the spit area



Main Beach Ablution Facility



3.11.5. 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 site by DEDEAT.

3.11.6 Working for the Coast Programme

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

Additional units are funded by the EPWP Programmes:

Working for the Coast Programme (WftC): The Department appointed a new Service Provider in March 2019, Enviro-Acsys to implement the Working for the Coast project for the 2019-2021 cycle. The Project has again received a R12.3 million budget shared between Kouga and Koukamma Municipalities but only for the cleaning of the coast. The project is envisaged to start in August 2019.

Good Green Deeds (Thuma Mina): The Department of Environmental Affairs has realized that more efforts are needed if the environment is to be protected from pollution and has decided on a national #Thuma Mina Green Deeds - for a clean and beautiful South Africa Programme to mobilise every citizen. The aim of the #Thuma Mina Green Deeds, also known as the Green Good Deeds Programme, is to ensure a clean and beautiful South Africa and to promote environmental actions that take into consideration sustainable living practices. Kouga Municipality received 22 Ambassadors, 15 as general workers for cleaning illegal dumping sites and 7 for environmental education and 1 Youth Environmental Coordinator, Mr Athenkosi Maqolo that is seconded to the Municipality for the next two years and will be coordinating the activities of the Youth Ambassadors.

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,
- Waste Management: illegal dumping,
- 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,
- Evaluation 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.

ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN ENVIRONMENTAL HEALTH SERVICES

Description of the Activity and Analysis of the Function	Environmental Health	2018/19 No. of Facilities	2018/19 No. of Visits	2019/20 No. of Facilities	2019/20 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 the public is fit for consumption	795	1984	805	3006
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.	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 112 x Failures	637	35 Sampling Points 12 x 35 Bacteriological 4 x 35 Chemical 73 x Bacteriological 73 x Chemical Extra sampling points for Covid19	706
Waste Management	Waste Management: identification of illegal dumping sites to ensure a clean and healthy environment.	23 Illegal dumping sites	136	20 Illegal dumping sites	40

Health Surveillance of Premises	Health Surveillance of Premises: Assessment of factors including ventilation, lighting, moisture and approval of building plans to ensure safety.	54 Building Plans	54	89 Building Plans	89
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	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.	42 Facilities (Municipal Buildings)	42	15 Facilities (Municipal Buildings)	15
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.	908 Notices for Plot Clearing	Cleared by owners: 8	830 Notices for Plot Clearing	Cleared by Owners: 10
Disposal of the Dead	Disposal of the Dead: Manage, control and monitoring exhumations and reburial or disposal of human remains	11 Applications	11 Approved	9 Applications	9 Approved
Business Registration & Hawkers Programme	Business Registration & Hawkers Program: Registration of all new businesses in terms of the Business Act, including hawkers.	231 Applications	231 Approved	117 Applications	117 Approved

KEY ISSUES FOR 2019 / 20: RABIES VACCINATION DRIVE – JULY 2019

A positive case of Rabies within the Sewende Laan area in Humansdorp was reported to the Municipality during July 2019. The results of this were that all stakeholders involved in Animal and Human Health were called together to discuss and put in place control measures to curb the spread of this deadly animal disease which can be transmitted to human beings. The stakeholder included the Kouga Municipality Environmental Health, Department of Agriculture Forestry & Fisheries: Directorate – Veterinary Public Health, supported by Kouga Municipality MMC's, Ward Councilors, South African Police Services (SAPS), Kouga Law Enforcement, Disaster Management, EC Department of Health and the SPCA.



A vaccination program was initiated on 16 July 2019 in the affected areas where Technicians from the Department of Agriculture were stationed at strategic spots to conduct the physical vaccinations of dogs and cats against the Rabies Virus and to also conduct door to door around the affected areas as follows:

The program started in Kruisfontein Civic Centre with the Department of Agriculture and Environmental Health. The South African Police Services and Kouga Law Enforcement were visible at all identified spots and also accompanied the teams during the door – to door at all areas of Kruisfontein, Sewende Laan, Maak 'n Las, Arcadia, Jeugkamp, Gill Marcus and Vaaldam.

Communication and awareness of the program was raised through social and local media and with loud hailing. The EC Health Department visited the households and residents around the reported positive case to check on human contacts and to also give education and awareness on what should be done by those individuals that might have been in contact with the affected dog including the owners. A total of 1048 dogs and 40 cats were vaccinated, and no further positive animal cases were reported and also no human beings were reported as infected by the disease.



COMMUNICABLE DISEASE PREVENTION DRIVE: SEPTEMBER – OCTOBER 2019

The Communicable Disease Prevention Drive was conducted by the Environmental Health section at various schools within Kouga Municipality during the months of September and October 2019 in line with the World Environmental Health Day which is celebrated annually on the 26th September.

This program was also conducted following a number of reported cases of communicable disease such as the Rabies, Scabies, Rota Virus and the section also included general hygiene in the program as a best preventative measure in the development and spread of communicable diseases. The main purpose of the program was to educate and create awareness amongst school children on various communicable disease and the importance of practicing good hygiene as a form preventing the spread of communicable disease. Also, the other purpose of this program was to encourage and motivate young children to be ambassadors for living healthy and adopting clean and healthy environments within their homes, schools and ultimately their communities for current and future generations.

The Environmental Health Section conducted the program at 26 Schools within Kouga Municipality focusing on Grades 5 & 6 and a total number of 1177 of pupils were reached with the program. The focus of the program was education and awareness on the above-mentioned communicable disease and the school children were educated amongst other things on the following:

- What communicable diseases are,
- On the above-mentioned communicable diseases – what they are
- How they spread,
- Signs and symptoms,
- Prevention & treatment
- General Hygiene which includes personal & environmental hygiene as preventive measure.

GLOBAL HAND WASH DAY PROGRAM: OCTOBER 2019

Celebrated annually on October 15, Global Handwashing Day (GH Day) is an annual global advocacy day dedicated to increasing awareness and understanding about the importance of handwashing with soap as an easy, effective, and affordable way to prevent diseases and save lives.

The theme for Global Handwash Day 2019 was “Clean Hands for All,” reminding that we must be inclusive when addressing handwashing disparities. 2019’s theme followed the push to leave no one behind in the Sustainable Development agenda. Non - effective handwashing promotion programs can put individuals at higher risk for diseases that impact their health, education, and economic outcomes. The Global Handwashing program was an opportunity to design, test, and replicate creative ways to encourage people to wash their hands with soap at critical times and raise awareness about the benefits of handwashing with soap.

The Environmental Health Section in partnership with the Special Programs Unit of Kouga Municipality conducted a handwashing and hygiene program at Stulting Primary School in Humansdorp on the 31st October 2019. The program focused on handwashing and the importance thereof; hygiene for health and saving lives and the importance of saving water as a scarce but very important natural resources.



HEALTH & HYGIENE SCHOOLS' PROGRAM – FEBRUARY 2020



A Health and Hygiene Educational Program was conducted at four (4) primary schools from 18 – 25 February 2020 within the Kouga Municipal Area. The aim of the program was to focus and highlight among other things the need to restore & preserve water, hand washing, personal & environmental hygiene. The schools that were reached with the program are:

- St Patrick Primary School
- Makukhanye Primary School
- Mzingisi Primary School
- Weston Intermediate School

The purpose of this program was to educate the entire school 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 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 importance of washing hands, & when to wash it.
- The importance of personal & environmental hygiene.

The main aim of the program was that all learners reached with the program can go and share what they have learned and thus becoming ambassadors for their schools and ultimately their homes and their communities. Each school was awarded with a 20-liter water canister, hand wash basin as well as hand wash soap.

COVID 19 EDUCATION & AWARENESS: MARCH – MAY 2020



Public Education and awareness on Covid 19 and the precautionary measures for the prevention of the spread of the virus have been conducted at all informal settlements with the Kouga Municipal area as follows:

- Door – to – door education and awareness on Covid 19 and preventative measures
- Loud hailing on the general lockdown regulations

- Issuing of educational pamphlets printed in English, Afrikaans and Xhosa
- Issuing of soaps for the promotion of hygiene and handwashing as a primary preventative measure.

The education and awareness were conducted from the 23rd March 2020 to the 21st May 2020 at the following areas and the total number of soaps issued per area / households are indicated below:

- | | | | |
|----------------|-------------------|------------------|-------------------|
| • Patensie: | 569 soaps issued | • Humansdorp: | 490 soaps issued |
| • Hankey: | 1048 soaps issued | • Kwa – Nomzamo: | 3226 soaps issued |
| • Thornhill: | 332 soaps issued | • Sea vista: | 1578 soaps issued |
| • Loerie: | 140 soaps issued | • Oyster bay: | 370 soaps issued |
| • Jeffreysbay: | 2981 soaps issued | | |

A total of 10734 soaps were issued to households during the door – to – door education awareness indicated above.

INSPECTION OF TAXI RANKS & PICK UP POINTS: MARCH – JUNE 2020

The following pick up points and a taxi rank were inspected:

- Hankey Centerton Taxi Rank
- Spar Pick Up Point in Hankey
- Spar Pick Up Point in Patensie
- Food Zone Pick Up Point in Patensie
- Humansdorp Voortrekker Road
- Humansdorp Shoprite Pick up point
- Humansdorp C/o Du Plessis & Bureau Street Taxi Rank
- Humansdorp Saverite pick up point
- Humansdorp Transvia Liquor pick up point
- Entrance to Kwa – Nomzamo pick up point

- Entrance to Sea vista pick up point
- Ocean View Jeffreysbay Taxi rank
- Old Friendly Grocer Jeffreysbay pick up point
- Fountains Mall pick up point

Education and awareness to Taxi drivers was done on the following:

- To not overload the taxis to minimize / prevent the spread of COVID – 19
- To wash hands often, possibly with antibacterial hand-sanitizer. / Use water and soap, if hand-sanitizer is not available
- To make provision of sanitizer for clients / customers
- To Keep social distancing
- To cover their mouth and nose with a tissue when they cough or sneeze,
- To not shake hands
- To try not to touch your eyes, mouth or nose if your hands are not washed
- To never cough or sneeze in hands
- Put any used tissue in the bin right away
- To avoid close contact with people who are unwell or show flu-like symptoms

INSPECTIONS & ISSUING OF PERMITS TO SPAZA SHOPS & INFORMAL TRADERS: APRIL 2020

Inspection of Spaza shops within all areas of Kouga Municipality are conducted on an ongoing basis. The Spaza Shops are inspected, and health education and awareness are conducted on the following items:

- The general information on Covid 19
 - Adherence to the social distancing requirements
 - Ensuring that hand sanitisers are available at the shop for clients / customers entering the shop
 - Controlling of the number of clients / customers entering the shop
 - Ensuring that the staff is provided with the necessary PPE
- General hygiene and cleanliness in terms of Regulation 638

Trading permits have also been issued to Spaza Shops by Environmental Health Practitioners during a door to door operation for spaza shops within Kouga Municipality. A total number of 204 permits were issued and the issuing of permits is still being conducted as need arises.

Seven permits for informal traders trading with fruit and vegetables have also been issued by the Environmental Health Practitioners. The operations for informal traders also included education and

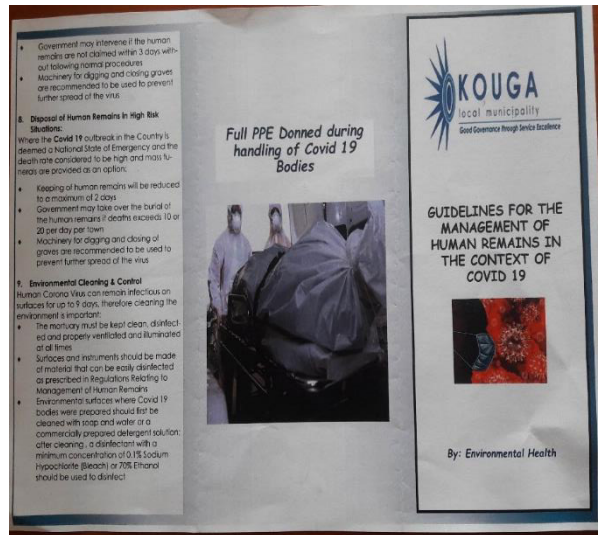


awareness; and regular inspections are conducted on an ongoing basis.

The informal traders are also monitored to ensure that they practice the following:

- Adherence to social distancing
- Hand hygiene / sanitizing
- Wearing of necessary PPE

HUMAN REMAINS IN THE CONTEXT OF COVID19: MAY 2020



The Environmental Health conducted training and sharing of information for Funeral Undertakers and their staff on the handling and disposal of Covid 19 bodies. The purpose of the training was to get the funeral undertakers ready and prepared for the handling and burial of Covid 19 bodies. The Training was conducted from the 04th – 08th May 2020 for:

Hankey:

- J & S Funerals
- Group Ex Funerals
- Avbob Funerals
- Forever Funerals
- Ten to Nine

Humansdorp:

- Bosman Funerals
- Ruhe Funerals

Jeffreysbay:

- Martens Funerals
- Stardust Funerals
- Kouga Funerals

TRAINING OF KOUGA MUNICIPALITY CEMETRY CARETAKERS ON THE MANAGEMENT OF HUMAN REMAINS IN THE CONTEXT OF COVID19: MAY 2020

The Environmental Health Practitioners conducted training and sharing of information for Kouga Municipality Cemetery Caretakers on what to look out for and to expect during the disposal of human remains in the context Covid 19 bodies. The Training was conducted for 10 Caretakers and their foreman on the 27th May 2020.

INSPECTION OF SCHOOL PREMISES FOR COVID19 READINESS: MAY – JUNE 2020

The Environmental Health Section conducted inspections of school premises to evaluate their readiness, in the context of Covid 19, to open for learners during Level 3 of the Lockdown. Evaluation was conducted to check compliance with the Regulations relating to the lockdown as well the general hygiene and safety requirements prior to the schools reopening for Grades 7 and 12 and these include:



- Receiving learners at school
- Social distancing measures in place within classrooms and outdoors
- Sanitizing of learners, teachers, premises and surfaces
- Learners and teachers PPE
- Monitoring of symptoms for both learners and teachers
- Monitoring by school staff to ensure compliance

The following schools were visited:

Jeffreysbay

- Victory for All Christian School
- Pharos School
- Kings College
- Global Leadership Academy
- Oakridge
- Jeffreys Bay Primary School
- JBay Academy High
- JBay Academy Primary
- Makukhanye Primary School
- Pellsrus Primary School
- JBay Comprehensive
- Ithemba Pre - school

Humansdorp:

- Mzingisi Primary
- Lungiso High School
- St Patrick's Primary
- Graslaagte Primary
- Kruisfontein Primary
- Humansdorp Secondary
- Victory Rainbow School
- Nico Malan High School

Oyster bay:

- Sand Water Primary

St Francis bay:

- Sea vista Primary

Gamtoos Valley:

- Loerie Heuwel School
- Phumlile School
- Thornhill Combined School
- Hankey Primary School
- Weston Intermediate School
- Hankey Secondary School
- Vukani School
- Laerskool Hankey
- Bodker Public School
- Laerskool Gamtoos Vallei
- Masisebenze Primary School
- Quagga Primary School

FOOD PREMISES & RETAIL SUPERMARKETS: MARCH – JUNE 2020

Inspections of premises such as Food Premises and Retail Supermarkets was conducted to ensure that the facilities adhere to the lockdown regulations of ensuring sanitizing of customers, the use of PPE by the general staff, ensuring social distancing by the customers and also to check whether the facility complies with the general hygiene as per the norm. The inspections are conducted on an ongoing basis to ensure compliance to the general requirements as set in Regulation R638: Regulations Governing the General Hygiene of Food Premises and the Transport of Food and Related Matters.

Education and awareness were also conducted for food premises that were doing cooked foods and delivery thereof during Level 4 of the Lockdown and these food premises were issued with notices guiding them in terms of Regulation R638. A total of 30 food premises was issued with the above notices.

COMPONENT D: SAFETY AND SECURITY

3.13 FIRE AND RESCUE SERVICE

FIRE SERVICES AND DISASTER MANAGEMENT

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.

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, lifeguards, 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.

Our fifty-one (51) 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.

Fire Services is responsible for the following functions:

- Firefighting of structural fires, veld and bush fires and any other fire;
- Fire safety (the application of the National Building Regulations, Fire codes and municipal by-laws with regard to fire safety);
- Rescue services;
- Support services to municipal and other instances;
- Fire pre-planning and related preparedness plans;
- Testing and basic maintenance work on emergency vehicles and equipment; and
- Fire communications facilities for the particular service.

The Disaster Management Act 57 of 2002 provides for an integrated & coordinated disaster management plan that focuses on:

- Preventing or reducing the risk of disasters (Prevention);
- Mitigating the severity of disasters (Mitigation);
- Emergency preparedness;
- Rapid & effective response to disasters, &
- Post-disaster recovery and rehabilitation

Our Lifesaving section is the Local Authority in the effort to prevent drowning and to keep the visitors and bathers safe. In my opinion this past year was the most significant year whereby no drowning related incidents was reported, and rescues was conducted to near drowning victims.

During the past months we have made great strides as a lifesaving section and have seen many positive achievements.

Lifesaving Services is responsible for the following functions:

- Overseeing activities at aquatic facilities.
- Explaining and enforcing rules, regulations and policies to ensure safety of patrons and maintaining order in swimming areas.
- Monitoring designated areas to recognize signs of danger.
- Warning swimmers regarding unsafe situations.
- Training of local youth to become SAQA qualified lifeguards
- Responding to emergencies and rescuing swimmers in danger of drowning.
- Performing first aid procedures.

FIRE AND RESCUE SERVICE

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.

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:

Description	Challenge
Vehicles and Equipment	Kouga Fire and Rescue, Disaster Management remains in non-compliance with the SANS 10090: Community Protection Against Fires. Our oldest vehicle is 33 years old, a medium Pumper Type GMC, is 23 years over the prescribed life expectancy. This vehicle is stationed in Humansdorp. Additional vehicles are required in order for the department to be in compliance. After a fatal incident on the N2 between Thornhill and Gamtoos, one (1) new set Jaws of Life were procured. The delivery of the equipment took place at the end of June 2019.
Staff compliment	The staff compliment in all spheres of the department need to be increased in order to build capacity for the department to function efficiently and effectively. Capacity is required in the following spheres: ○ Fire Safety ○ Operational Department ○ Disaster Management ○ Lifesaving Additional staff members are required in order to be in compliance with the SANS 10090: Community Protection Against Fires.

Lack of infrastructure	Due to the increase of informal settlements, little or no infrastructure are available to assist the firefighters. These include fire hydrants and wide enough access roads.
Rapid expansion of Informal Settlements	Kouga Municipality has been experiencing a rapid influx of residents which resulted in the increase of the number of informal dwellings. The areas are; Sea Vista and Ocean View This could result in an increase in the attendance of informal settlement fires. This area can cause fires to spread rapidly, leaving a devastating effect on the communities.
Poor management of overgrown vacant properties.	No dedicated bush clearing teams in place. Huge backlog on the clearing of Public Open Space and well as private vacant properties and stands. Risk reduction committee established to reduce risk; especially in St Francis Bay

Solutions:

- To coordinate a pro-active approach towards the planning of informal settlements.
- To provide 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.
- To dedicate a bush clearing team only for clearing of open space and to reduce fire risk

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 2019/2020 this service responded to a total of 482 incidents as reflected below:

Category	Total 2018/19	1st quarter 2019/20	2nd quarter 2019/20	3rd quarter 2019/20	4th quarter 2019/20	Total 2019/20
Buildings	9	6	1	3	0	10
Dwellings (formal brick)	31	3	4	5	8	20
Informal dwellings (shacks)	60	28	30	11	15	84
Electrical	7	0	1	4	2	7
Refuse/Waste	61	7	17	14	14	52
Vegetation	61	42	44	31	32	149
Transport	8	2	4	2	2	10
Other (not above)	15	5	0	2	1	8
Accidents	93	39	33	32	22	126
Rescues	2	0	1	0	1	2
Spillage (oil)	1	0	0	0	0	0
Miscellaneous	0	1	7	3	3	14
Other	0	0	0	0	0	0
TOTAL	348	133	142	107	100	482

Fire Safety Inspections:

Fire Safety (number of inspections conducted)	1st Quarter July-Sep 2019	2nd Quarter Oct -Dec 2019	3rd Quarter Jan-March 2020	4th Quarter April – May 2020	Grand Total 2019/2020
General inspections	43	40	41	11	135
Flammable liquid	5	8	13	3	29
Building plans	293	181	241	47	762
Fire Hydrants	199	2	20	0	221
Burning permits	10	2	7	10	29
TOTAL	550	233	322	71	1176

Fire fighting vehicles.

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford LDV - Rescue	2007	Humansdorp	Yes	Yes
Toyota Land Cruiser – Bush fire fighting	2009	Humansdorp	Yes	No
Toyota Hino – structural fire fighting	2006	Humansdorp	Yes	No
Dennis – Structural fire fighting	1994	Humansdorp	Yes	Yes
Iveco – bush and structural fire fighting	2018	Jeffreys Bay	Yes	No
Nissan Tanker – structural fire fighting	1990	Jeffreys Bay	Yes	No
Nissan Patrol 4x4 – Bush fire fighting	2007	St Francis Bay	Yes	No
Toyota Tanker – structural fire fighting	1991	St Francis Bay	Yes	No
GMC – structural fire fighting	1987	St Francis Bay	Yes	yes
Toyota Land Cruiser – Bush fire fighting	2009	Hankey	Yes	No
Dennis – Structural fire fighting	1993	Hankey	No	Yes

The department awaiting the delivery of a new 6000 L water tanker and a medium pumper for various types of firefighting throughout the Kouga. A similar type of vehicle has been procured during the 2018/2019 financial year.

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 COVID-19 pandemic delayed the training of four (4) fire fighters at Rural Metro Training Academy in Pietermaritzburg in 2020. The trainees arrived at the training center, and after two (2) days were sent back home due to safety reasons. No formal fire fighting training was conducted during 2019/2020. CPMD training was conducted to firefighting officials.

Position	Positions filled	Position vacant	Staff trained in fire fighter 1 & 2; Hazmat Awareness & Operational
Chief Fire Officer	1	0	1
Station Commander	2	0	1
Platoon Officer	1	0	1
Senior Fire Fighter	8	0	8
Fire Fighters	31	2	20
Control Room Operator	4	0	0
Admin officer	1	0	0
Total	48	2	31

Community Education and Awareness:

AWARENESS AND TRAINING 2019/2020	1st Quarter July - Sep 2019	2nd Quarter Oct - Dec 2019	3rd Quarter Jan -March 2020	4th Quarter April - June 2020	Grand Total 2019/2020
Number of civilians reached	18	1028	43	0	1089
Type of institutions visited (e.g. Old age home/Hospital / Clinic / Factory / Govt. buildings / Library etc.)	Awareness and training were conducted at various institutions and community members. Ward 1 Ward 2 Ward 3 Ward 4 Ward 11 Ward 15				
Number of children and teachers reached	724	97	152	0	973
Number of schools covered	3	2	1	0	6

Achievements: Fire Services 2019/2020



Figure 1: Procurement of a 6000 L Water Tanker & Medium Pumper



Figure 2: Procurement of Hydraulic Equipment



Figure 3: Procurement of Firefighting Equipment



Figure 4: Procurement of Firefighting Equipment



Figure 5: Completion of fencing at Hankey Fire Station



Figure 6: SANTAM donated R 1 000 000.00 to Kouga Municipality to reduce the fire risk in St Francis Bay

3.14 DISASTER RISK MANAGEMENT

DISASTER MANAGEMENT

The purpose of Disaster Management is to promote integrated, coordinated, and multi-disciplinary disaster management for the community of Kouga.

Kouga Municipality faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including drought, severe storms that can trigger widespread hardship and devastation as well as fires.

Climate change is altering the face of disaster risk, not only through increased weather-related risks and sea-level and temperature rises, but also through increases in societal vulnerabilities.

Legislative mandate

Disaster Management Act, 2002 (Act 57 of 2002) This Act provides:

- An integrated and co-ordinated disaster management focused on rapid and effective response;
- Recovery from disasters as well as the reduction of disaster risk;
- The establishment municipal disaster management centres; and

- A framework under which the municipal disaster management centre operates and liaises with all spheres of government and relevant stakeholders on disaster-related matters.

The main focus is to establish the necessary institutional arrangements for implementation of disaster risk management plan within the Kouga Municipality.

It also emphasises the involvement of all stakeholders in strengthening the capabilities of the Municipality to reduce the likelihood and severity of disasters.

Challenges

Description	Challenge
Vehicles and Equipment	Kouga Disaster Management remains in non-compliance with the SANS 10090: Community Protection Against Fires. Only one (1) vehicle is operating in the entire Kouga area. Additional vehicles are required in order for the department to be in compliance.
Staff complement	The staff complement in the department needs to be increased in order to build capacity for the department to function efficiently and effectively. Capacity is required in the following spheres: ○ Disaster Practitioners ○ Disaster satellite officers ○ Disaster Management as a whole Additional staff members are required in order to be in compliance with the SANS 10090: Community Protection Against Fires.
Lack of infrastructure	No proper Disaster Management facility, which includes a functional Disaster Management Centre. No proper office spaces.
Disaster risk assessment to be conducted	No qualified staff to do assessments in Kouga area and to do Classifications in terms of the different risk's categories.
Awareness and training	Inadequate staff to conduct regular awareness and training.

Solutions:

- To provide Disaster Management Services to the communities in need where fire risks increase arises.
- To provide more education and awareness in the communities.
- To have a pro-active collective approach between sector departments towards mitigating and risk reduction planning.

- Council is allocating funding towards the capital budget for the acquisition of the new plant equipment to better the service.
- To establish a well functional disaster management centre.

Vehicles – Disaster Management

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford Ranger – D/Cab	2020	Humansdorp	Yes	No
Isuzu D/Cab	2009	Humansdorp	Yes	No

Joint Operations Command Meetings

The Disaster Management Section only operates with one (1) disaster practitioner. During the COVID-19 pandemic the practitioner needs to chair the local joint operation meetings, he forms part of the District technical as well as the political joint operation meetings.

Command/ meeting	Workstream	Kouga JOC Meetings	SBDM JOC Meeting
March 2020		March 2020	March 2020
27-03-2020		3-03-2020	20-03-2020
28-03-2020		25-03-2020	
30-03-2020		31-03-2020	
April 2020		April 2020	April 2020
3-04-2020		7-04-2020	2-04-2020
6-04-2020		14-05-2020	9-04-2020
10-04-2020		18-04-2020	16-04-2020
11-04-2020		21-04-2020	23-04-2020
13-04-2020		22-04-2020	30-04-2020
14-04-2020		28-04-2020	
17-04-2020			
20-04-2020			
24-04-2020			
May 2020		May 2020	May 2020
01-05-2020		05-05-2020 Virtual	07-05-2020 Virtual
4-05-2020		12-05-2020 Virtual	14-05-2020 Virtual
8-5-2020		17-05-2020 Special JOC @ FNB	
11-05-2020			
15-04-2020			
18-05-2020			
June 2020		June 2020	June 2020
01-06-2020		02-06-2020	04-06-2020

05-06-2020	09-06-2020	11-06-2020
08-06-2020	15-06-2020	18-06-2020
12-06-2020	23-06-2020	25-06-2020
15-06-2020	30-06-2020	
19-06-2020		
22-06-2020		
26-06-2020		
29-06-2020		

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 Flooding	Sea level	Domestic fires are high in the formal and informal areas due to Social challenges 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

AREA	HIGH	LOW	Challenges
Patensie	Domestic Fire		Domestic fires are high in the formal and informal areas due to Social challenges.
	Flooding		Flooding is more in the low line farm areas

Achievements: Disaster Management 2019/2020



Figure 7: Procurement of Disaster Management Vehicle



Figure 8: Procurement of Disaster Management Vehicle



Figure 9: Issuing of blankets, mattresses as well as food parcels to fire affected families



Figure 10: Activated nine (9) Disaster Volunteers to assist during the COVID-19 period.

- Workshop with public to draft a Disaster Risk Management Plan for Kouga
- Draft Disaster Risk Management plan was received for inputs and comments.
- Assist with the establishment of the shelter for the homeless people during COVID-19 lockdown.

3.14.1 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.

Our lifesaving facilities in Jeffreys Bay and St Francis Bay were in dire need of exterior painting and repairs, Buco came to our assistance and repair and paint our facilities in Jeffreys Bay and St Francis Bay.



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 for Lifesaving Department

- 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 minimize risks and liability to Council.
- Procure 4x4 vehicle for proper response to life saving incidents
- Procure Quadbike to interact with people on the beach and respond to remote areas.

Lifesaving vehicles

Type of vehicle	Model	Stationed in	Operational	Need replacement Yes/No
Ford 4x4 lifesaving LDV	2020	Jeffreys Bay	Yes	No
Polaris Quad Bike	2020	Jeffreys Bay	Yes	No
Jet Ski	2011	Jeffreys Bay	Yes	No

3.15 SAFETY AND SECURITY

This Department includes Traffic, By- Law enforcement and Security services.

The aim of Council is to ensure that all residents and visitors live in a safe and harmonious environment within Kouga municipal area, through high visibility and presence of law enforcement agencies. Currently municipal law enforcement officers work closely with the South African Police Services (SAPS) to combat crime. Traffic law enforcement focus on keeping the local roads and streets in the municipal area safer and minimize road fatalities. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The section works closely with other enforcement agencies within Kouga municipal area to fight crime in all forms.

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, engineering, and enforcement.

The goals and functions are to educate road users to comply with the rules and regulations of the road and to enforce it. 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/ streets in the Kouga area. Roadblocks are held to check driver driving behavior and vehicle fitness. Speed checking by camera and manual operation is conducted on daily.

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

SCHOOL	WARD	AREA
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 Sexwale
Sea-Vista primary school	1	Sea vista
Jeffreys bay Primary school	11	Central JBay
Kings College	14	Ocean view

Traffic Control Activities

Description	2017/18	2018/19	2019/20
	Total	Total	Total
Handwritten fines	4238	3523	2602
Speed Camera fines	97 272	54 968	Contract ended
Paid fines	26 000	7868	682
Disable Parking discs	160	162	166
Warrant of Arrests	1201	333	161

Challenges

- There is a drastic need for traffic officers to work shifts to cover all Kouga towns especially over weekends and festive seasons.
- Still awaiting new firearm registration and licensing from SAPS

Solutions

- The section is in the process of tendering for service providers for Speed camera enforcement equipment.
- Shifts systems for all law enforcement officers were implemented.
- Not more than 2 officers per vehicle.
- The refurbishing of old firearms.

Delivery of new traffic and Law Enforcement Vehicles



3.16.2 REGISTRATION AND LICENSING/ DRIVERS LICENSE/ VEHICLE TESTING

OVERVIEW: Registration and Licensing

Municipalities act as Agents for the Department of Transport to register and license vehicles and conducting driver/ learners' licenses. The municipality receives a 19% agency fee for rendering this service.

Function:

- The registration and licensing as well as Deregistration of Motor vehicles within the jurisdiction of the Kouga Area.
- 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.
- Motor Vehicle Disbursement Reports are compiled on a weekly basis for direct payment to the Provincial Department of Transport.
- Audits are being performed by the Provincial Department of Transport once a year to determine compliance of the National Road Traffic Act.

REGISTRATION & LICENSING PORTALS



Clear Provision was made above in order to adhere to the rules of Social Distancing amongst our Clients during the performing of their Registration & Licensing transactions.



FILING:

Filing of documentation is done daily according to Motor Vehicle Register Numbers in order to ensure correct classification during Audit Inspections.

CHALLENGES:

- Permanent Filing Clerks for Registration & Licensing need to be appointed.
- Provincial Department is still to assess the E-Natis Users who went on Training during October 2019 on their practical performance in order for them to be able to perform transactions on the E-Natis System.
- Since the Covid 19 pandemic happened, critical transactions done by the Provincial Helpdesk takes longer due to staff rotation.

Description	2017/18 Total	2018/19 Total	2019/20 Total
HUMANSDORP			
Duplicate Certificates	230	399	171
Special Permits	95	44	23
Temporary Permits	41	117	14
Search Fees		1	-
Hankey			
Duplicate Certificates	0	17	12
Special Permits	0	13	1

Overview: Driving Licence Testing Centre and Vehicle Testing Station

The driving license testing center (DLTC) makes provision to test learners licences, light and heavy motor vehicles licences, as well as renewal of driver licenses and professional driving permits for the community of Kouga municipality and neighboring municipalities. Humansdorp centre operates 6 days a week.

Hankey driving license testing center is not operational due to theft of LEU equipment.

The Vehicle Testing Station (VTS) 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 part of the provincial program from the Department of Transport. During the festive season free roadworthy tests are available to enhance road safety. A total of 243 roadworthy tests were conducted during the financial year

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

Description	2017/18 Total	2018/19 Total	2019/20 Total
Learners License Applications	3815	4357	2679
Applicants passed	2354	2785	1959
Driving License Renewals	5357	5594	3908
Driving License tests light m/v	1631	1966	1128
Driving License tests heavy m/v	3140	3469	2260
Applicants passed	2625	3155	2508
Roadworthy tests conducted	0	283	243

Challenges

- Covid 19 caused the DLTCs, VTS and RA to be closed from 27 March to 31 May 2020 and caused two months of lost revenue.
- Further to that the measures put in place to prevent further spreading of the virus has reduced the operating capacity.
- The training of more cashiers/ clerks to serve as relieve staff.
- LEU laptop stolen in Hankey DLTC reported to SAPS and DOT and RTMC have not yet replaced the equipment, station not functioning.
- The centralization of the function for efficient monitoring, control, and supervision.
- Replacement of old and redundant equipment by the Department of Transport.
- Remove LEU's to old boardroom.
- Office space not conducive for the rendering services to the public.
- Closure of office during lockdown caused backlog in learner and driving licence tests and this is the focus as part of a provincial action plan.

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. New counter and aluminum partitioning for cashier were build inside old boardroom
- Relocation of driving license staff to boardroom which has been upgraded
- Rescheduling of bookings for driving licenses and learners and other related transactions.

- Two learner classes per day
- RTMC to move equipment to old boardroom
- RTMC to install new LEU laptop Hankey equipment for future operation.
- Hankey examiners temporarily assisting in Humansdorp DLTC.

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 on 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.

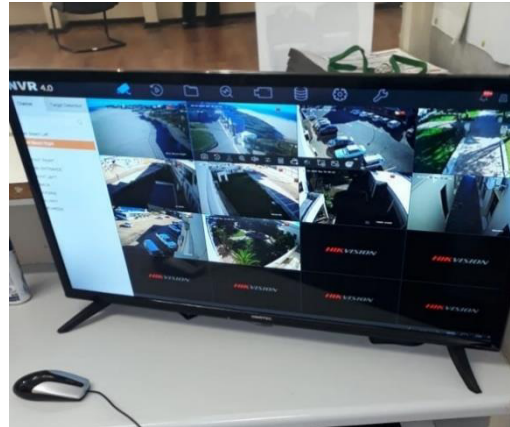
Temporarily guards are contracted as and when needed. Private security is being procured to guard high risk areas, e.g. water treatment plants etc.

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.
- Service providers were appointed on month to month basis for monitoring of alarms.

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.
- The appointment of 10 permanent security officers was done to guard more municipal sites.
- Tender for alarm monitoring and response as well as guarding were awarded to two service providers.



Nine security officers were permanently appointed.

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	2018/19 Total	2019/20 Total
Impoundment of animals, (cattle, goats, and pigs)	133	185
Complaints investigated	412	472
Arrests	27	13
Fine issued	749	934
Fiela Operations in Humansdorp Hankey, Patensie, St Francis bay and Thornhill	13	21
Illegal Signage	279	313
Funerals monitored: Covid 19 (April – June 2020)		231

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.

Solutions:

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

Achievements



- Palisade Fencing of the Pellsrus Caravan Park and Yellowwoods.
- Extension / rebuilding of the wall at the Jeffreys Bay Caravan Park.
- Installation of the play park and installation of the roof (ablution facility) at Yellowwoods.
- The Jeffreys Bay and Pellsrus Caravan Parks have been upgraded, works included tiling, plumbing, electrical maintenance, painting), replacing of all signboards, erecting fence and barbed wire on the seaside, Installation of 2 electronic gates and erecting 4 extra braai stands
- The ablution block and the braai stands at the Gamtoos Mouth Caravan Park were repaired.

Upgrades at Jeffreys Bay Caravan Park



Extension + plastering of the wall



3.19 SPORTS AND RECREATION

Strategic Objective

Communities have access to affordable sporting and community recreation 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

- Fencing at the Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall and Patensie Hall and Thornhill Hall
- Upgrading of Newton Community hall, Kruisfontein Civic Centre, Kwanomzamo Hall, Vusumzi Landu Hall, Thornhill Sportfield and Phillipsville Sportfield
- Kwanomzamo hall fully upgraded after it was burnt by the Community members in 2018.
- Pellsrus and Weston Sports Field was upgraded and is in the process of being handed over by service providers to Council.
- Installation of a barbed wire and crowd control fence at Tokyo Sportfield and Kruisfontein Sportfields material for the crowd control fences procured
- Consultant for designs of the Kwanomzamo Sportfield was appointed and they are finished with the design

FENCING: Kwanomzamo Hall,



Kruisfontein Civic Centre



Centerton Hall.



Thornhill Hall



Patensie Hall



UPGRADES: Kwanomzamo Hall:

Painting (interior), repair of stage, repairing of windows, installation of burglars, roof painting, backwash, installation of ceiling + tiling at the toilets, building of kitchen cupboards, Paving the hall, tiling the toilets, installation of all stolen doors



Kruisfontein Civic Centre



Newton Hall: Painting (interior), repair of stage, repairing of windows, installation of burglars, roof painting, backwash, installation of ceiling at the toilets, building of kitchen cupboards



Vusumzi Landu Hall: Exterior beautification of the Vusumzi Landu Hall



SPORTFIELDS

Phillipsville Sportfield: Upgrading of the whole club house, installation of a crowd control fence



Thornhill Sportfield



Tokyo Sportfield

Installation of the crowd control fence



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 all the ablution facilities
- Kouga Municipality was again awarded with full Blue Flag status for 2019/20 for Dolphin Beach.
- Upgrading of the Dolphin Beach Play Park
- The Municipality participated in the Working for the Coast Program which is funded by the National Department of Environmental Affairs (November 2019 – November 2021), 74 EPWP's were appointed in all Coastal Wards which is ward 1, 2, 3, 7, 11, 12 and 14 .

The following facilities in these units were upgraded (Jeffreys Bay, STF Bay, Gamtoos Valley)

Jeffreys Bay Unit:

- Kabeljous 1 & 2, Tacoma, Pagoda, Checkers, Supertubes, Main beach, Friendly, Pellsrus, Aston Bay, Paradise Lagoon, Dawn View, Botha Street

- Building of the Paradise beach toilet (Botha Street)

Botha street toilet



Dawn view toilets



Checkers Toilets



Gamtoos Valley:

Patensie town



Hankey town



St Francis Bay: Shore road 1, Aldabara, Shearwater drive, granny's toilet, main beach, Seal point, CSF main beach.

Cape St Francis Main Beach ablution



COMPONENT C PLANNING AND DEVELOPMENT

DIRECTORATE: PLANNING, DEVELOPMENT AND TOURISM

3.21 SPATIAL PLANNING

Preparation and Approval Process of Spatial Development Framework (SDF)

The Draft Spatial Development Framework was approved by Council on 12 June 2020 Council resolution No. 20/06/PD1.

The Draft Spatial Development Framework document is in the process of been advertised in local newspaper and on the Kouga municipal website for public participation, due to the Covid-19 lock down regulations.

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, 2014.

The Draft Spatial Development Framework document will be adopted with amendments, after the public participation process has lapsed.

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 on the 12 June 2020. Council resolution No. 20/06/PD2. The Draft ILUS document is published for public participation via the website and local newspaper as well as in the Provincial Gazette.

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 for 2019/2020 have been dealt with in terms of said legislation:

Count of Status														
Row Labels	59 Subdivision of land (Into 2 Erven)	59_1 Subdivision of land (Into 3 - 250 Erven)	59-1-c Combined - Rezoning, Departure, Subdivision of land (Into 3 - 250 Erven)	59-3-c Combined - Rezoning, Departure, Subdivision of land (Into >1000 Erven)	59-c Combined - Rezoning, Departure, Subdivision of land (Into 2 Erven)	66 Exemption of a subdivision from the need for approval in terms of this By-Law as contemplated in section 66	68 Rezoning of Land	69 Removal, suspension or amendment of restrictive condition of title deed	71 Consolidation	74 Consent use	76 Permanent departure	76_1 Permanent departure (Building Line)	76a Temporary departure	Grand Total
Aston Bay	1		1				3	4			4	4		17
Advertising							1							1
Assessment											1			1
Decision	1		1				1	4			3	4		14
Not linked to Application							1							1
Hankey							2			4				6
Decision							2			4				6
Humansdorp	6						4	2		1	5	1		19
											1			1
Assessment							1				2			3
Decision	5						3	2			1			11
Missing Documents										1		1		2
Not linked to Application											1			1
Open	1													1
Humansdorp RD	1	1	3		1		5	1		2	3	4	2	23
Advertising							1					1		2

Assessment									1				1
Decision					1		4	1		1	2	2	12
Missing Documents	1		3									1	6
Open		1									1		2
Jeffreys Bay	6	1				1	5	13	1	14	18	37	96
Advertising								1		2	1	4	8
Assessment								1		1	4	4	10
Decision	6	1				1	3	11	1	9	11	19	62
Decision Meeting												1	1
Missing Documents							2			2	1	7	12
Open											1	2	3
Kaap St Francis	3							3		3	3	2	14
Advertising											1		1
Assessment								1					1
Decision	2							2		2	2	2	10
Missing Documents										1			1
Open	1												1
Kruisfontein	1						1				2	1	7
Advertising											1		1
Assessment												1	1
Decision	1						1				1	1	4
Missing Documents												1	1
Oesterbaai							1	2					3
Advertising								1					1
Decision								1					1
Open							1						1
Paradysstrand								3			1	2	6
Assessment								1					1
Decision								2			1	1	4
Missing Documents												1	1
Patensie	1						2				3		6
Decision	1						2				2		5
Missing Documents											1		1
Pellsrus								1		3	2	1	7
Decision								1		3	1		5
Missing Documents											1	1	2

Sea Vista	4			1			3	4		4	3	6	1	26
Advertising										1	1	1		3
Assessment								2			1			3
Decision	4			1			3	2				2	1	13
Decision Meeting												1		1
Missing Documents										3	1	1		5
Open												1		1
St Francis Links	1										4			5
Decision	1										3			4
Missing Documents											1			1
Thornhill							1							1
Decision							1							1
Uitenhage RD							1				1	2		4
Decision							1				1	2		4
Grand Total	24	2	4	1	1	1	28	33	1	31	49	60	5	240

A total of 240 land-use applications and 149 approvals were recorded for abovementioned period.

Building Control

Row Labels	Boundary Wall	Churches	Exempt Building Work	General Building Work	Industrial Rural	Minor Building Work (< 10 m ²)	Minor Work - Internal Changes	RDP Informal Housing	Revised Plan / Alterations: Other	Swimming Pool	Test Work Type - Pls ignore	Grand Total
				1							2	3
Closed				1							1	2
Plan Approved											1	1
Aston Bay				49		3			43	1		96
Closed				1								1
Occ Cert Issued				6		1			2			9
Open				12					37			49
Plan Approved				29		2			4	1		36
Resubmitted				1								1
Crossways				5								5

Plan Approved				5							5
Gamtoos Mouth				21				9	1		31
Occ Cert Issued				2				4			6
Open				1				2	1		4
Plan Approved				18				2			20
Resubmitted								1			1
Hankey				3				2			5
Open				2				2			4
Plan Approved				1							1
Humansdorp	1	2		11	3	4	1	9			31
Occ Cert Issued				2				2			4
Open		2		4	2	2		5			15
Plan Approved	1			3	1	2	1	2			10
Recommendation Made				1							1
Resubmitted				1							1
Humansdorp RD	3			9	3	1		12			28
Closed								1			1
Occ Cert Issued								2			2
Open	1			3	2	1		2			9
Plan Approved	2			6	1			6			15
Recommendation Made								1			1
Jeffreys Bay	2	1	1	241		27	3	75	2	1	353
Assessment Phase						1					1
Inspections Completed				1							1
Occ Cert Issued	1			21		1		30			53
Open		1		36		4	3	14			58
Plan Approved	1		1	173		20		23	2	1	221
Recommendation Made				6		1		3			10
Resubmitted				4				5			9
Kaap St Francis				18		1		32			51
Assessment Phase				1							1
Occ Cert Issued								14			14
Open				2				6			8
Plan Approved				14		1		12			27
Recommendation Made				1							1
Kruisfontein		1		3		1		3			8
Open		1		1							2

Plan Approved				2		1		2				5
Resubmitted								1				1
Oesterbaai				3				1	5			9
Occ Cert Issued									3			3
Open								1	1			2
Plan Approved				3					1			4
Paradysstrand				46		5			12	1		64
Occ Cert Issued				5		1			5			11
Open				7		1			2			10
Plan Approved				30		3			4	1		38
Recommendation Made				2					1			3
Resubmitted				2								2
Patensie	1	2		1	1				1			6
Open		1							1			2
Plan Approved	1	1		1	1							4
Pellrsrus		1		3		4		2	1			11
Open		1										1
Plan Approved				3		4		2	1			10
Sea Vista	3	1		57		3	2		54	3		123
Assessment Phase				4								4
Closed	1			3					1			5
Occ Cert Issued				2					17	1		20
Open				14		2			9			25
Plan Approved	2	1		31		1	2		26	2		65
Recommendation Made				1					1			2
Resubmitted				2								2
St Francis Links	2			24		2			19			47
Closed				2								2
Occ Cert Issued				1					10			11
Open									1			1
Plan Approved	2			20		2			8			32
Recommendation Made				1								1
Uitenhage RD				2		1						3
Occ Cert Issued						1						1
Open				1								1
Plan Approved				1								1
Grand Total	12	8	1	497	7	52	6	8	272	8	3	874

Total of 874 Building Plans were received with a total value of R 573 491 800 .00

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

Local Economic Development Service Delivery Strategy

The Local Economic Development Strategy was completed and adopted by Council in this Financial Year.

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 Planning, Development and Tourism.

Staff role players

The staff component comprises of the current staff:

Filled:

- Director Planning, Development and Tourism
- Manager LED
- PA to Director Planning, Development and Tourism
- LED Officer x 1

Vacant :

- LED Officer x 1
- 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. These include amongst others: Building Inclusive Green Municipalities Programme facilitated by South African Local Government Association (SALGA) and Federation of Canadian Municipalities, Dept. of Rural Development and Land Reform (DRDLR), Dept. of Rural Development and Agrarian Reform (DRDAR), Dept. of Economic Development, Environmental Affairs and Tourism (DEDEAT), Dept. of Trade and Industry (DTI), Dept. of Social Development, Coega Development Corporation (CDC), National Youth Development Agency (NYDA), Small Enterprise Development Agency (SEDA), Gamtoos Irrigation Board (GIB), Dept. Water and Sanitation, Fishing and Forestry (DAFF), Cooperative Governance and Traditional Affairs (COGTA), Sarah Baartman District Municipality (SBDM), Kouga Business Forum (KBF) and Kouga Wind Farms.

Community role players

These include the Kouga Local Economic Development Forum, Kouga Business Chamber, Kouga Business and Rural Chamber, Kouga Emerging Farmers Forum, Kouga Cooperatives Forum, Kouga SMME Forum and various events organizers that are responsible for staging and organizing events in the Kouga area members of the public who visit the LED offices on a daily basis.

The LED department also collaborates with the Wind farms to bring about career opportunities for the youth as well as creating an ambling platform for job opportunities for SMME's.

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	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	Achievement during the 2019/20
1	Existence of LED Unit	Fully functional LED unit	Functionality of the unit has improved since the appointment of the 2 nd LED Officer in 2018/19, however full functionality can be obtained by filling of vacant budgeted positions.	55%	80%	80%

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	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	Achievement during the 2019/20
2	Existence of LED Strategy	Completion of LED Strategy review	HS Business Solutions was appointed to develop the Kouga LED Strategy. Trough online survey the LED Office gathered inputs from various industries on the LED Draft Strategy. The Draft LED Strategy with Actions Plans was table at the LED & Tourism standing committee and referred council.	80%	80% The LED Strategy is in the process of review	The LED strategy was completed and adopted by council.
3	Percentage of LED Budget spent on LED related Activities	90%	Full Budget was spent	87%	60%	100%

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	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	Achievement during the 2019/20
4	Number of LED Stakeholder Forum Meetings held	4	LED Forums are successfully held quarterly	4	100% (4 Meetings held)	2 meetings were held. Due to Covid-19 pandemic lock down restrictions, there could be no meetings in Q3 & Q4.
5	Number of SMME's that have benefitted from an SMME Support Programme	550 SMME's	Local SMME's are being exposed and supported through Trainings, Outreaches collaborating with other sector departments.	645	736	236 No Trainings were conducted for quarter 3 & 4 due to Covid 19. LED Department was coordinating the relief funds programme which were made available Nationally.

Annual Performance as per Key Performance Indicators in Local Economic Development , including Tourism	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	Achievement during the 2019/20
6	Number of job opportunities created through PPP: (LED and Tourism).	100	The LED Department promotes an enabling environment for job creation through PPP's like the Kouga Tourism Association, Humansdorp Museum Association and the Winter Fest organizers.	146	431	429

3.23 TOURISM

The priorities of this section are Local Economic Development, Tourism development, Destination Marketing and, museums development as well as promoting and managing events in Kouga area.

The Kouga tourism, Kouga Tourism Routes and Implementation Plans were compiled in 2010 and should be updated.

This section's annual implementation strategy was derived from the IDP and approved budget of the financial year. From the Service Delivery, Budget and Implementation Plan (SDBIP), work plans were created to determine the detailed implementation plans for the year. This was monitored continuously and reported to the Portfolio Committee at least once per quarter.

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. The Kouga Heritage Council was

disbanded after a few months due to poor public management and drive. The Humansdorp Museum Association then took over most of the latter's functions.

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.

Tourism Development and Marketing

Tourism Development through participation with our private partner, Kouga Local Tourism Organization:

Background

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 **R 1 437 550.00 for the 2019/20** 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:

NAME OF APPLICANT	BUDGET ALLOCATED
Kouga Tourism Organization	R 1 437 550.00
Humansdorp Museum Association	R 275 000.00
SPCA	R 170 000.00
Soul Point Adventures	R 30 000.00
Jeffreysbay Animal Rescue	R 100 000.00
ST Francis Animal Rescue	R 80 000.00

Festivals and Events

FESTIVALS/EVENTS	BUDGET
Calamari Festival	R 450 000.00
Jbay Makiti	R 500.000.00
Gamtoos Citrus Celebration	R 250 000.00
Hankey Heritage Festival	R 250 000.00

Tourism Trainings

- Media Impact on Tourism and Destination Marketing – 13 September 2019 (32 Community Participants)
- Tourism Buddies Programme through ECPTA (11 participants)
- Tourism Data Collectors through NDT (3 Graduates)

Visual and Performing Arts

R 10 320.00 was sponsored to Dog Unit Pantsula Group from Humansdorp to procure Uniform as they were representing Kouga in the Shukuma Dance Festival and Iphulo Drama Festival, which was held in Opera House, Nelson Mandela Bay on 18-21 September 2019.

3.23.1 MUSEUMS

Background:

We have two museums in the Kouga Municipal area, namely the Humansdorp Museum and the Shell Museum in Jeffreys Bay. Both buildings housing the museums belong to the Kouga Municipality.

The artefacts in the Humansdorp Museum belong to the Humansdorp Museum Association, whereas the artefacts in the Shell Museum belongs to the Kouga Municipality. Both Shell Museum and Humansdorp Museum are managed by the Humansdorp Museum Association, a private partner of the Kouga Municipality, registered as a non-profit organization.

During the 2019/20 financial year Kouga municipality through its grant in aid funded the Humansdorp Museum Association with an amount of R 275 000.00 for general administration ,events and repairs and maintenance.

The Museum Association submits quarterly reports on progress, and the Kouga Municipality has meetings and monitors and manages their performance. The Museum Association submitted 4 quarterly reports to indicate how they spent their grant-in-aid.

Museum priorities:

- To develop and promote heritage in the Kouga area.
- To build a positive image and manage museums as sought-after heritage and tourism destinations.
- Maintain museums and preserve heritage assets linked to the museums.

The Humansdorp Museum is open to visitors and tourists 5 days a week and the Shell Museum six days a week. The museums are manned with one full time staff each, and managed by the Museum Association, a voluntary Non-Profit-Organization.

Improvements, Repairs and maintenance to Heritage assets:

Shell Museum:

- 2 x Wireless Sensors
- Light Fittings
- Locks for shell Booths
- Remote panic button linked to armed response
- Replacement LED globes for museum

Humansdorp Museum:

- Security System upgrade
- Batteries for TV remote
- Back up Batteries for alarm system
- Containers to store artifacts

Inter governmental Relations

- ECPTA Tourism Monitors Programme
- NDT Tourism Data Collectors Programme
- BIGM Programme with Kouga Municipality and Prince Edward County

Events:

- **Mandela Day : 18 July 2019**



- **Woman's Day : 06 August 2019 & 29 August 2019**



- **Eco- Tourism and Marine Ecosystems : 17 August 2019**



- **Classic Car Rally : 09 December 2019**



- **Golden Oldies : 14 February 2020**



Training:

South African Museum Association in partnership with Inyathelo - The S A Institute for Advancement held on the 20 August 2019 in Cape town. The training was geared towards Building Support for your Organization - Proposal Development and Stewardship.



JOBS CREATED DURING YEAR BY LED INITIATIVES (Excluding EPWP Projects)				
Total Jobs created / Top 3 initiatives	Jobs created through LED & Tourism No.	Jobs lost / displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created / lost
Reporting Period	429	No info	No info	Through programmes of LED & Tourism

TRAINING

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP						
Service Objectives (i)	Outline Service Targets (ii)	Year 2016/17		Year 2017/2018		
		Target	Actual	Target		Actual
		Previous Year (iii)	(iv)	Previous Year (v)	Current Year (vi)	(vii)
	People trained through LED & Tourism	No info	645	550	347	347

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

Job Level	Employees No.	Posts No.	Employee No.	2016/17 Vacancies (full-time equivalents) No.	2016/17 Vacancies (as a % of total posts)	2017/18 Vacancies (full-time equivalents) No.	2017/18 Vacancies (as a % of total posts)
0 – 3	3	3	3	0	0		
4 – 6	4	5	4	1			
7 – 9							

	Adjustment Budget 2016/17	Actual Expenditure 2016/17	Variance 2016/17	Adjustment Budget 2017/18	Actual Expenditure 2017/18	Variance 2017/18
Total Operational Revenue	8,658,434	7,445,600	.86	445,000	0	445,000
Expenditure:						
Employment	4,654,538	4,121,766	.88	2,530,781	2,504,034	26,747
Repairs & Maintenance	50,000	46,212	.08	50,000		50,000
Other	3,953,896	3,277,622	.83	3,969,635	2,618,632	1,351,003
Total Operational Expenditure	8,658,434	7,429,398	.86	6,550,416	5,122,666	1,427,750

COMMENT ON LOCAL ECONOMIC DEVELOPMENT CAPITAL PERFORMANCE OVERALL:

Mini Fresh Food and Crafts Market for Hankey & Jeffreysbay

Quarter 1 : Target not met pending designs approval.

Quarter 2 : Item returned to lead department from BSC for further amendments.

Quarter 3 : The project and allocated was moved to Project Management Unit in I&E Directorate in line with Adjustments budget.

BUILDING INCLUSIVE GREEN MUNICIPALITIES – 2019/20 MISSIONS

Introduction

Kouga Local Municipality is in partnership with Prince Edward County in Canada through support facilitated by SALGA on Local Economic Development (Component 1000) under the programme called ***Building Inclusive Green Municipalities (BIGM)***.

The main objective of the partnership is to improve the capacity of municipal staff in Kouga to deliver inclusive economic development services, in particular for women and vulnerable populations. Activities will aim to support municipality to enhance their service delivery to entrepreneurs and favour new innovative LED approaches catering especially women and vulnerable populations.

BUILDING GREEN INCLUSIVE MUNICIPALITIES (BIGM) PLANNING AND LEARNING WEEK 19 – 26 JANUARY 2020 TORONTO, ONTARIO CANADA.

As part of Kouga Municipalities continued participation in the BIGM programme, Kouga Municipality took part in a seven-day workshop arranged by FCM and SALGA. The workshop saw Kouga Municipalities working on the following activities:

- Revising Annual Work Plan Activities for 2020 financial year.
- Compiling a budget breakdown of Annual Workplan Plan activities
- Importance of 12-week mission planning cycle (Visa Applications, Biometrics and protocol that must be observed)
- Finances and Expenses guidelines for all Municipalities participating in BIGM Projects and activities.
- Participate and discuss programming issues, financial/budgeting issues, techniques for monitoring and evaluation, and training on various project management issues.
- Peer-to-peer knowledge exchange within the areas of LED, Asset Management and Climate Change. The training will encompass a series of information sessions, workshops and coaching and mentoring.

Business Retention and Expansion Programme

The BR&E program is a secondary project to be implemented by Kouga Municipality within the Building Inclusive Green Municipalities Programme. The purpose of the BR&E is to help Kouga Municipality to

identify local business issues, concerns and potential opportunities that local government, agencies and other stakeholders can address proactively and ultimately creating a supportive environment for Business and Investment in all sectors of the Local Economy.

The Tourism sector was identified as the first sector in which the BR&E would be conducted in 2019 in the annual work plan for the BIGM. The study was carried on 60 businesses across the Local Tourism Value Chain through one on one interviews with the respective participants/tourism operators. The data collection method was gathered through a questionnaire that was developed in December 2019 in Canada by Kouga Officials under the mentorship of our Canadian partners Prince Edward County. The Local Economic Development Department concluded the BR&E report for the Tourism Sector and some critical findings were uncovered on the state of the local tourism sector and local economy in general below are some of the key findings:

- Kouga has a Resilient Local Economy - 59 (98.33%) out of the 60 businesses interviewed operate throughout the year even though the local tourism sector is seasonal and rely heavily on tourists.
- that Kouga Municipality needs to improve on local attractions to attract visitors into the Kouga area especially in off season times.
- Public ablution facilities are not enough to accommodate tourists. ➤ Information Centers for visitor services needs serious improvement.

The business participation in the project were identified from Jeffreysbay, Humansdorp, Thornhill, Hankey ,Patensie and St Francis Bay focusing on the following :

- Hotels
- Restaurants
- Bed and Breakfast
- Camping Grounds /Caravan Parks
- Guided Tour Operators
- Wedding and Conference Venues

3.24 HOUSING

Human Settlements Delivery Strategy and Main Role-Players



Section 26 of the Constitution of South Africa says 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 Ikhaya Construction for the installation of services and the construction of 220 top structures.

Ikhaya Construction (Pellsrus 220 Housing Project)		
- 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 130 Top structures were handed over in the 2019/2020 financial year - Project will be completed in December 2020		



Planned Projects:

Revised Funding applications were submitted to the Provincial Department of Human Settlements for the inclusion on 2021/2022 business plan for the following projects.

➤ **Arcadia 139 Housing Project**

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

➤ **Weston 196**

- Land Surveying is complete
- General Plan approved

➤ **Hankey 728 (990)**

- Land Surveyor appointed in March 2019
- Layout Approved
- Pegging and relocation of beneficiaries ongoing
- Detailed services designs are completed
- Project funding application for 728 services will be approved in September 2020

➤ **Patensie 278**

- Approved Layout
- ROD is active

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

➤ **Kwanomzamo: 400**

- Upgrading of the WWTW is in progress
- **Sea Vista: 2000** (Land only available for 350 houses, remainder not suitable for housing development due to wetland and Environmental Impact Assessment)
 - Awaiting transfer of land from DPW to KLM
- **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 R3 500,00 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 R1 500 - R7 500 per month, with quality and affordable rental housing opportunities in well located areas.

Social Housing service provider for the implementation of Social Housing/ FLISP projects was appointed on 28 October 2019.

Demand and needs analysis study for proposed FLISP and Social Housing project is complete.

Funding application was submitted on 07/07/2020



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 Loerieheuvel.

Transferring of these sites to Kouga Municipality is underway, Town planning and Engineering designs are in progress.

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 (NHBC).

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%	12218	300	300	100%
2	Percentage of informal	100%	9473	5250	5250	100%

	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
	settlements that have been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	100%	8997	220	220	100%

UPGRADING OF DONKERHOEK INFORMAL SETTLEMENT

The Electrical Department received funding from INEP for the electrification of 200 informal houses in Donkerhoek and upgrading of the current electrical infrastructure.

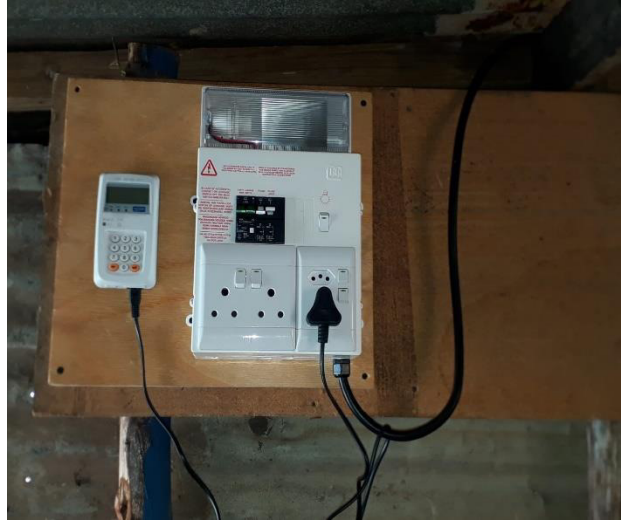
100 informal houses were electrified in the 2019/20 financial year and the remaining 100 houses in the 2020/21 financial year. The 100 beneficiaries are from the Vaaldam area.

Priority was given to the elderly, disabled, and most vulnerable.

The following access to interim basic services was provided to the informal settlement:

- Standpipes
- Chemical toilets
- Electricity
- Emergency access roads
- Refuse removal





CONSTRUCTION OF TEMPORARY HOUSES IN STOFWOLK

A series of housing public meetings were held with the community of Stofwolk where they were informed about the Stofwolk 990 housing project and the planned electrification by ESKOM, and relocation to temporary area.

For the upgrading and electrification to be successfully implemented ESKOM condition was that all occupants of the current Stofwolk informal settlements be relocated to an alternative site. The Municipality provided each household with a complete 24 square meter temporary house build by 10 local SMME's. This project creates jobs for 10 SMME's and 47 local labourers.

The following access to interim basic services will be provided to the relocated beneficiaries:

- Standpipes
- Chemical toilets
- Electricity in progress
- Emergency access roads
- Refuse removal



COVID 19 LOCKDOWN REPORT FROM 30 MARCH 2020 -27 MAY 2020

On 15th March 2020, the President of South Africa, in a national address, announced the declaration of the Covid-19 pandemic as a 'national disaster'.

Since then many significant consequential announcements have been made, relating to restrictions on movement, business activity, travel, social gatherings, and other matters, all in the interests of preventing an escalation of the national disaster and alleviating, containing and minimizing the effects of the national disaster.

Since the declaration of a 'national disaster' was made, sets of general regulations and several others which are sector-specific have been issued by the minister of COGTA in terms of the Disaster Management Act, to regulate the consequences of this declaration. Regulations 16(2)(b) and 28(4) permits public servants to perform essential services.

Below is a list of essential services that were performed by the Human settlements department from 30 March – 27 May 2020.

TASK	OBJECTIVE	DELIVERABLES	OUTCOME	DATE
Identification of Decanting/Relocation sites	To de-densify informal settlements. Relocation of affected families	4	4	30 March 2020
Identification of densely populated informal settlements	To identify informal settlements that are densely populated. To implement social distancing	Donkerhoek Oceanview Sea Vista Stofwolk	4	3 April 2020
Connection of 220 water tanks to informal settlements	Access to clean water	220	220 Patensie, Jeffreysbay, Thornhill, Humansdorp, Hankey, Loeriehuwel, Sea Vista, Weston	30/3 – 21/4/2020
Provision of chemical toilets to London informal settlement	Access to sanitation	30	30	01 April 2020
Inspection of informal settlements and Project sites (Oceanview 1500 and Pellsrus 220)	To monitor and prevent illegal erecting of informal settlements	Gamtoos and Coastal towns	Satisfactory	Ongoing
Stofwolk survey	To confirm the number of beneficiaries that will relocate to Erf 17 The remaining survey will be completed on 27/5/2020	343	155 188	20/4/2020 – 22/4/2020 27/5/2020

Verification of families to be relocated to Donkerhoek informal settlement	To provide access to basic services. (water, sewer, electricity, access roads)	100	100	04 – 08 May 2020
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CHAPTER 4: FINANCIAL PERFORMANCE: DIRECTORATE FINANCE

CHAPTER 4: FINANCIAL PERFORMANCE: FINANCE DIRECTORATE

COMPONENT A: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

4.1 FINANCIAL HEALTH OVERVIEW

In order to provide an overview of the financial outcomes for the 2019/20 financial year, it is necessary to compare the 2019/20 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends for the period, 1 July 2019 to 30 June 2020.

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

4.1.1. STATEMENT OF FINANCIAL PERFORMANCE (refer to AFS page 6)

Actual operating revenue (excluding capital grants) amounted to R 819,557 million, whilst actual operating expenditure amounted to R 922,693 million, resulting in an actual operating deficit of R 103,136 million. The 2019/20 Adjustments Budget for operating revenue (excluding capital grants) amounted to R 846,865 million, whilst operating expenditure amounted to R 927,120 million, resulting in a budgeted deficit of R 80,256 million.

It should be noted that the 2019/20 actual operating revenue of R 946,250 million, includes an amount of R126,694 million, which relates to capital grants.

The following, however, needs to be noted:

Property Rates (refer to AFS page 6)

The actual property rates revenue raised amounted to R 197,544 million (100.16%), compared to the Adjustments budgeted amount of R 197,221 million.

Service charges – Electricity Revenue (refer to AFS page 65, note 26)

The actual electricity revenue raised, amounted to R 245,438 million (89.42%), compared to the Adjustments budgeted amount of R 274,470 million.

Service charges – Water Revenue (refer to AFS page 65, note 26)

The actual water revenue raised, amounted to R 73,769million (97.42%), compared to the Adjustments budgeted amount of R 75,713 million.

Service charges – Sanitation Revenue (refer to AFS page 65, note 26)

The actual sanitation revenue raised, amounted to R 49,951 million (99.80%), compared to the Adjustments budgeted amount of R 50,051 million.

Service charges – Refuse Revenue (refer to AFS page 65, note 26)

The actual refuse revenue raised, amounted to R 51,351 million (98.62%), compared to the Adjustments budgeted amount of R 52,072 million.

Property Rates and Services Revenue: (refer to AFS page 6, 65, note 26)

Description	2019/20 Financial Year		
	Adjusted Budget (Including Indigent Subsidies)	Actuals as at 30 June 2020 (Including Indigent Subsidies)	Variance
R thousands			
Revenue By Source			
Property rates	197 221 488	197 544 136	322 648
Service charges revenue	452 306 728	420 509 001	-31 797 727
Service charges - electricity revenue	274 470 307	245 438 346	-29 031 961
Service charges - water revenue	75 713 266	73 768 737	-1 944 529
Service charges - sanitation revenue	50 051 300	49 950 667	-100 633
Service charges - refuse revenue	52 071 857	51 351 251	-720 606
Total	649 528 216	618 053 137	-31 475 079

Fines, Penalties and Forfeits: (refer to AFS page 6)

The actual revenue amounted to R 20,388 million, compared to the adjustments budgeted amount of R 6,397 million. The previous year's actual amounted to R 21,334 million.

The Fines Revenue raised was approximately R 13,991million more than budgeted. This is attributed to traffic fines issued, being higher than anticipated. The actual amount for 2019/20 includes fines paid, as well as fines issued.

Rental from Fixed Assets: (refer to AFS page 6)

The actual revenue amounted to R 0,697 million, compared to the adjustments budgeted amount of R 4,037 million. The previous year's actual amounted to R 0,609 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: (refer to AFS page 6)

The actual revenue amounted to R 261,035 million (137.26%), compared to the Adjustments budget amount of R 190,181 million.

This is attributable to the Water Services Infrastructure Grant, being rollover from the 2018/19 to 2019/20 financial year, amounting to R 85,232 million.

Licences and Permits: (refer to AFS page 6)

The actual licences and permits revenue amounted to R 11,066 million (66.50%), compared to the adjustments budgeted amount of R 16,640 million.

The Licences and Permits Revenue raised was approximately R 5,574 million less than the budgeted amount. This is attributed to motor vehicle registrations being lower than anticipated.

Interest Earned – External Investments: (refer to AFS page 6)

The actual interest earned – external investments amounted to R 11,657 million (75.82%), compared to the adjustments budgeted amount of R 15,375 million. This is largely influenced by the extent of municipal investment portfolio.

Interest Earned – Outstanding Debtors: (refer to AFS page 6)

The actual interest earned – outstanding debtors amounted to R 8,576 million, compared to the adjustments budgeted amount of R 10,892 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: (refer to AFS page 6)

The actual sales of goods and rendering of services revenue amounted to R 11,110 million (189.24%), compared to the Adjustments budgeted amount of R 5,871 million.

Operational Revenue: (refer to AFS page 6)

The actual operational revenue amounted to R 3,667 million (301.07%), compared to the Adjustments budgeted amount of R 1,218 million.

Employee Related Costs: (refer to AFS page 6)

Employee related costs amounted to R 293,708 million (96.86%), compared to the adjustments budgeted amount of R 303,219 million.

Remuneration of Councilors: (refer to AFS page 6)

The remuneration of councilors amounted to R 12,876 million (98.57%), compared to the adjustments budgeted amount of R 13,063 million.

Depreciation and Amortisation: (refer to AFS page 6)

The Depreciation and Amortisation amounted to R 76,934 million (90.40%), compared to the adjustments budgeted amount of R 85,101 million.

Impairment losses: (refer to AFS page 6)

Bad debts are written off upon Council's approval. Debt impairment amounted to R 75,458 million (285.61%), compared to the adjustments budgeted amount of R 26,420 million.

Bulk Purchases - Electricity: (refer to AFS page 6)

The Bulk purchases electricity amounted to R 264,529 million (97.39%), compared to the Adjustments budgeted amount of R 271,623 million.

Inventory Consumed: (refer to AFS page 6)

The inventory consumed amounted to R 40,125 million (114.80%), compared to the Adjustments budgeted amount of R 34,951 million.

The inventory consumed expenditure was approximately R 5,175 million more than budgeted.

Interest: (refer to AFS page 6)

The interest costs amounted to R 5,714 million, compared to the Adjustments budgeted amount of R 2,201million.

The interest costs were approximately R 3,513 million more than budgeted. This is mainly due to interest raised on overdue creditors, not initially budgeted for.

Contracted Services: (refer to AFS page 6)

The contracted services amounted to R 70,860 million (84.86%), compared to the Adjustments budgeted amount of R 83,503 million.

The contracted services expenditure was approximately R 12,643 million less than budgeted.

(refer to AFS page 6)

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Roads Maintenance	17 400 000	17 387 438	99.93%
Project Management	8 563 011	11 384 137	132.95%
Special Rating Area	7 337 701	6 484 726	88.38%
Maintenance of Vehicles	7 204 436	7 129 394	98.96%
Maintenance of Buildings and Facilities	7 300 327	5 311 589	72.76%
Legal Advice and Litigation	6 352 083	5 880 374	92.57%
Maintenance of Electrical Infrastructure	2 268 828	2 028 727	89.42%
Other	3 234 873	1 197 699	37.02%
Outsourced Services: Personnel and Labour	2 149 507	500 000	23.26%
Security Services	2 020 083	1 492 514	73.88%
Business and Advisory: Valuer	1 951 875	106 700	5.47%
Clean up Operation	2 275 000	581 400	25.56%
Maintenance of Sanitation Infrastructure	1 624 000	1 543 610	95.05%
Legal Cost: Collection	1 578 000	499 376	31.65%
Qualification Verification	1 895 000	1 424 750	75.18%
Maintenance of Water Infrastructure	1 300 300	1 076 193	82.76%
Drivers Licence Cards	730 000	422 018	57.81%
Clearing and Grass Cutting Services	630 000	513 959	81.58%
Maintenance of Machinery and Equipment	604 284	355 599	58.85%
Dune Stabilisation	4 231 200	3 735 519	88.29%
Medical Health Services & Support	500 000	490 881	98.18%
Outsourced Services: Internal Auditors	477 599	27 074	5.67%
Laboratory Services: Water	552 161	477 759	86.53%
Animal Care	350 000	350 000	100.00%
Occupational Health and Safety	315 000	251 897	79.97%
Land Audit	300 000	30 720	10.24%
Burial Services	235 000	176 170	74.97%
Transportation	122 500	-	0.00%
Total	83 502 768	70 860 223	84.86%

Operating Leases: (refer to AFS page 6)

The operating leases amounted to R 6,700 million (85.26%), compared to the Adjustments budgeted amount of R 10,142 million.

The operating leases expenditure was approximately R 3,442 million less than budgeted. Actual expenditure on the rental of photocopy machines was lower than anticipated.

Operational Costs: (refer to AFS page 6)

The operational costs amounted to R 73,821 million (76.38%), compared to the Adjustments budgeted amount of R 96,648 million.

The operating costs expenditure was approximately R 22,828million less than budgeted.

(refer to AFS page 6)

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Hire Charges	27 037 500	26 154 165	96.73%
Operating Leases:Furniture and Office Equipment	5 893 745	3 902 014	66.21%
Commission:Third Party Vendors	5 374 126	4 136 796	76.98%
Management Fee	4 532 915	3 324 943	73.35%
External Audit Fees	4 508 000	4 502 333	99.87%
External Computer Service:Internet Charge	4 104 024	3 844 331	93.67%
Operating Leases:Other Assets	4 062 693	4 103 789	101.01%
External Computer Service:Software Licences	3 516 814	1 726 967	49.11%
Remuneration to Ward Committees	3 278 744	2 696 498	82.24%
Bargaining Council	2 909 416	34 080	1.17%
Uniform and Protective Clothing	2 437 933	2 137 720	87.69%
Training	2 503 698	1 844 071	73.65%
Insurance Underwriting:Premiums	2 600 248	1 101 014	42.34%
Storage of Files (Archiving)	1 900 000	1 189 784	62.62%
Communication:Postage/Stamps/Franking Machines	1 750 485	1 158 837	66.20%
Skills Development Fund Levy	1 695 046	1 601 325	94.47%
Communication:Cellular Contract (Subscriptions)	1 651 453	1 412 340	85.52%
Achievements and Awards	1 600 000	1 113 537	69.60%
Printing, Publications and Books	1 525 261	711 621	46.66%
Workmen's Compensation Fund	1 525 915	1 031 359	67.59%
Registration Fees:Professional and Regulatory Bodies	636 109	358 363	56.34%
Domestic:Accommodation	958 784	407 817	42.53%
Advertising, Publicity and Marketing:Tenders	916 219	693 370	75.68%
Advertising, Publicity and Marketing:Corporate and Municipal Activities	876 923	248 547	28.34%
Transport without Operator:Own Transport	785 294	472 350	60.15%
Licences:Motor Vehicle Licence and Registrations	1 029 719	583 995	56.71%
Bank Charges, Facility and Card Fees:Bank Accounts	669 072	1 032 487	154.32%
External Computer Service:Specialised Computer Services	662 191	-	0.00%
Public Transport:Air Transport	605 721	145 304	23.99%
Signage	425 100	243 922	57.38%
Vehicle Tracking	590 952	619 787	104.88%
Travel and Subsistence:Non-employees	516 669	139 418	26.98%
Advertising, Publicity and Marketing:Gifts and Promotions	485 756	174 316	35.89%
Other	3 081 606	973 353	31.59%
Total	96 648 131	73 820 555	76.38%

Conclusion:

The Municipality recorded an actual operating deficit of R 103,136 million, compared to the adjustments budgeted deficit of R 80,256 million.

4.1.2 STATEMENT OF FINANCIAL POSITION (refer to AFS page 5)

Net Assets: (refer to AFS page 5)

Net Assets increased from R 2,190 billion (2018/19) to R 2,214 billion (2019/20) due to the following:

Non-current Liabilities: (refer to AFS page 5)

- Long-term liabilities decreased from R 16,354 million in 2018/19 to R 6,747 million in 2019/20, due to the redemption of loans. No loans were taken up during the 2019/20 financial year.
- The Employee Benefit Liabilities decreased during the 2019/20 financial year, based on an actuarial valuation.
The liabilities consequently decreased from R 8,552 million in 2018/19 to R 86,256 million in 2019/20. The Employee Benefit Liabilities consist of Post-Retirement Health Care Benefits and Ex-Gratia Pensions.
- Non-current Provisions increased from R 68,637 million in 2018/19 to R 72,317 million in 2019/20, 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 14,480 million in the net assets of the municipality.

Current liabilities:

Consumer Deposits (refer to AFS page 5)

Consumer deposits increased from R 17,378 million in 2018/19 to R 18,076 million in 2019/20, mainly due to an increase in applications for new water and electricity connections.

Provisions (refer to AFS page 5)

The current provisions increased from R 29,649 million in 2018/19 to R 33,095 million in 2019/20, mainly due to the leave provision and long service awards, being increased in the 2019/20 financial year.

Unspent conditional grants and receipts (refer to AFS page 5)

It is to be noted that unspent conditional grants decreased from R 103,446 million in the 2018/19 financial year to R 26,927 million in the 2019/20 financial year. This is largely influenced by the unspent Water Services Infrastructure Grant, in the amount of R 98,017 million during the 2018/19.

Payables – Exchange Transactions (refer to AFS page 5)

Payables have increased by R 55,725 million from R 87,383 million in 2018/19 to R 143,107 million in 2019/20.

Current Portion of Long-Term Liabilities (refer to AFS page 5)

The current portion increased by R 0,541 million from R 9,067 million in 2018/19 to R 9,608 million in 2019/20.

The net result is that the decrease in Current liabilities, accounted for a movement of R 15,873 million in the Net Assets of the Municipality.

Non-current Assets: (refer to AFS page 5)

- Property, Plant and Equipment increased by R 58,846 million from R 2,018 billion in 2018/19 to R 2,077 billion in 2019/20.
- Intangible Assets increased by R 0,436 million from R 0,244 million in 2018/19 to R 0,680 million in 2019/20.
- Investment Property remained the same for 2018/19 and 2019/20 at R 242,552 million.
- Long-term receivables decreased by R 3,000 from R 13,000 in 2018/19 to R 10,000 in 2019/20.

The net result is that the increase in Non-current assets accounted for a movement of R 59,279 million in the Net Assets of the Municipality.

Current Assets:**Inventories** (refer to AFS page 5)

Inventories increased by R 0,432 million from R 9,249 million in 2018/19 to R 9,681 million in 2019/20.

Receivables from exchange transactions (refer to AFS page 5 and 33 note 3)

The decrease in receivables amounted to R 8,218 million, or 15.19%, when compared to the previous financial year.

Year	Gross Balances R	Impairment Allowance R	Carrying Amount R
2018/19	165 551 604	111 458 400	54 093 203
2019/20	174 948 231	129 072 796	45 875 434
Increase	9 396 627	17 614 396	8 217 769

Receivables from non-exchange transactions (refer to AFS page 5)

The Receivables from non-exchange transactions decreased by R 4,015 million from R 31,123 million in 2018/19 to R 27,108 million in 2019/20.

Cash and Cash Equivalents (refer to AFS page 5)

Cash and cash equivalents decreased by R 73,195 million from R 214,228 million in 2018/19 to R 141,033 million in 2019/20.

VAT Receivable (refer to AFS page 5)

VAT Receivable increased by R 18,985 million from R 46,796 million in 2018/19 to R 65,781 million in 2019/20.

Operating Lease Receivables (refer to AFS page 5)

Operating Lease Receivables decreased by R 0,63 million from R 0,234 million in 2018/19 to R 0,171 million in 2019/20.

The net result is that the decrease in Current assets accounted for a movement of R 66,075 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 decreased by R 73,195 million (34.17%) from R 214,228 million in 2018/19 to R 141,032 million in 2019/20.
- Current Liabilities decreased by R 15,873 million (6.43%) from R 246,922 million in 2018/19 to R 231,048 million in 2019/20.
- Current assets decreased by R 66,075 million (18.57%) from R 355,727 million in 2018/19 to R 289,652 million in 2019/20.

4.1.3 FINANCIAL INDICATORS (refer to AFS pages 5 - 8)

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

Borrowing Management		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	Actuals as at 30 June 2020
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	4.50%	4.98%	2.51%	1.78%	1.21%	1.25%

Borrowed funding of "own "capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.05	0.05	0.03	0.02	0.01	0.01
Borrowing Management		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	Actuals as at 30 June 2020
Current Ratio	Current assets / current liabilities	0.72	0.86	0.97	1.58	1.44	1.25
Liquidity Ratio	Monetary assets / current liabilities	0.22	0.40	0.47	0.75	0.87	0.61
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	98.91%	97.60%	95.81%	90.73%	97.62%	95.42%

Other indicators		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	Actuals as at 30 June 2020
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)	0.82 Months	1.59 Months	1.62 Months	1.73 Months	1.90 Months	1.78 Months

Employee Costs	Employee Costs / Total Operating Expenditure	36%	36.93%	33.39%	33.21%	31.15%	31.83%
Capital Expenditure	Capital Expenditure / Capital Budget	241.30%	81.97%	72.92%	72.98%	44.59%	75.33%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.46%	4.78%	4.94%	3.82%	4.99%	5.39%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.06%	1.46%	1.65%	1.41%	2.18%	2.39%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	69.55%	84.74%	78.69%	80.22%	75.36%	72.41%

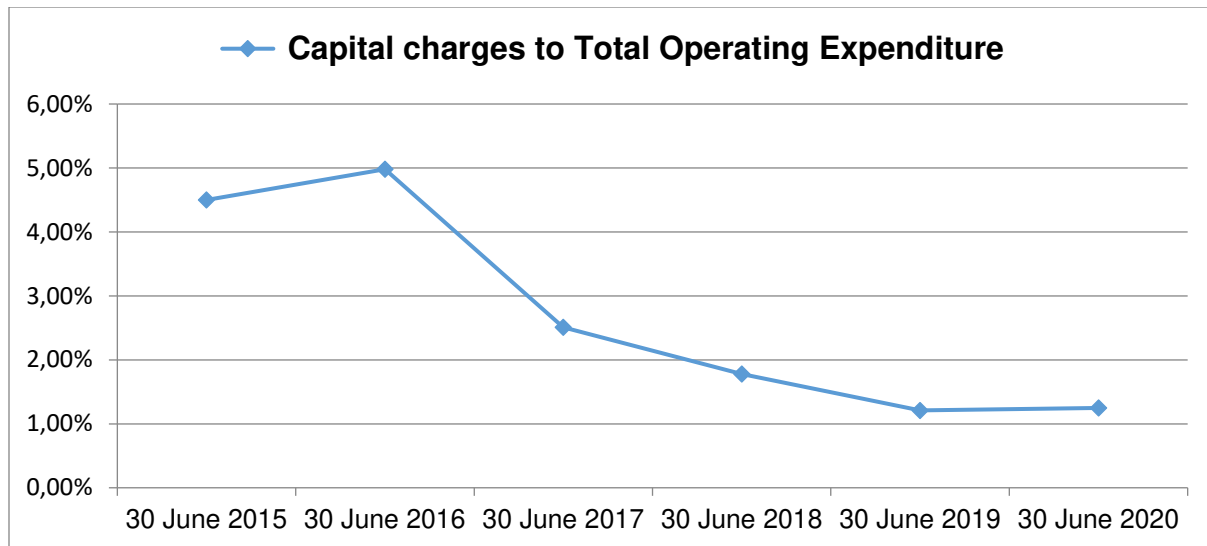
The above table is discussed in detail below.

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 1.25% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2020, whilst the Municipality's audited ratio as at 30 June 2019 was 1.21%.



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 2020, the was 0% as no capital expenditure was funded from borrowings, whilst the Municipality's audited ratio as at 30 June 2019 was also 0%.

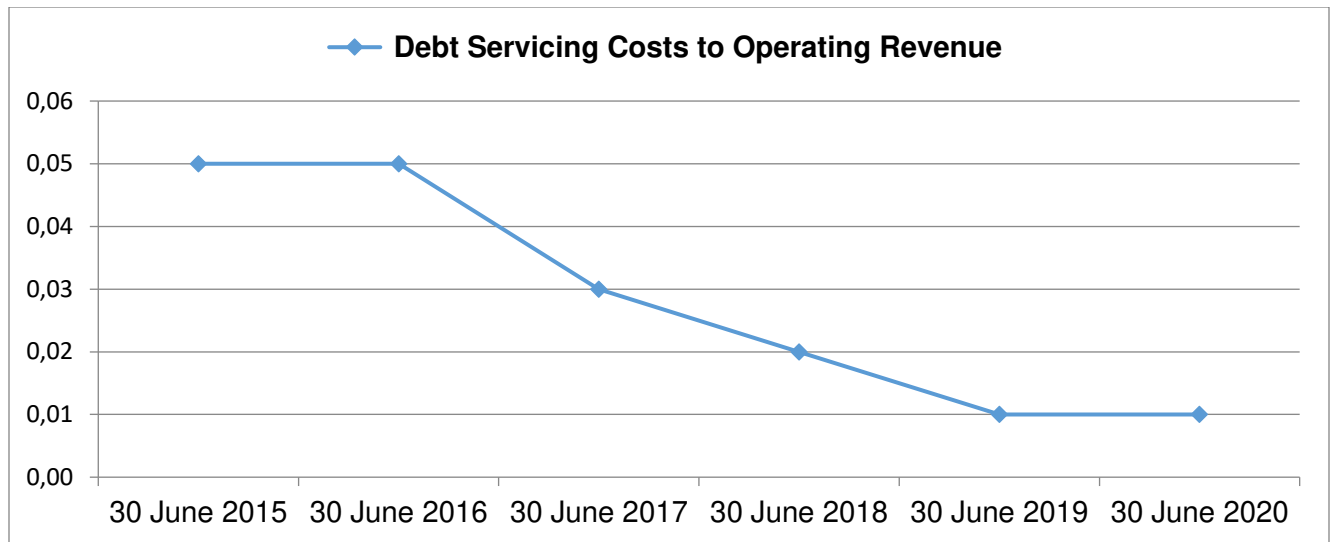
4.1.3.3 DEBT SERVICING COST TO OPERATING REVENUE RATIO

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 2020 the ratio was 0.01:1, compared to the audited ratio of 0.01:1 as at 30 June 2019.



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:

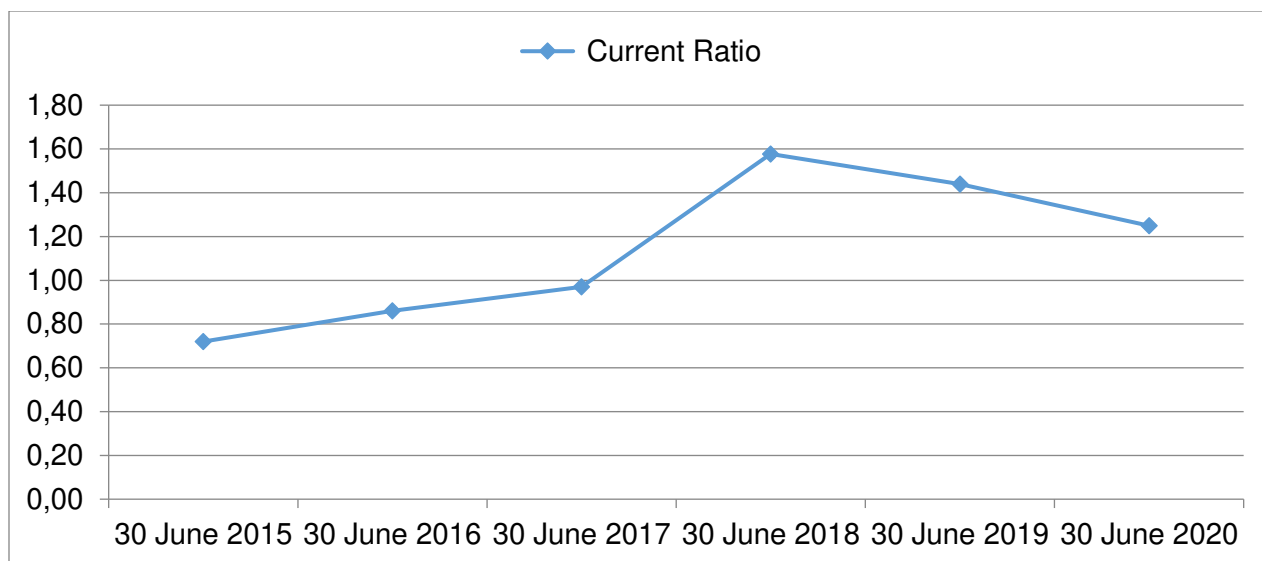
Current assets/Current liabilities

As at 30 June 2020, the Ratio was 1.25:1, whilst the Municipality's audited ratio as at 30 June 2019 was 1.44:1

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

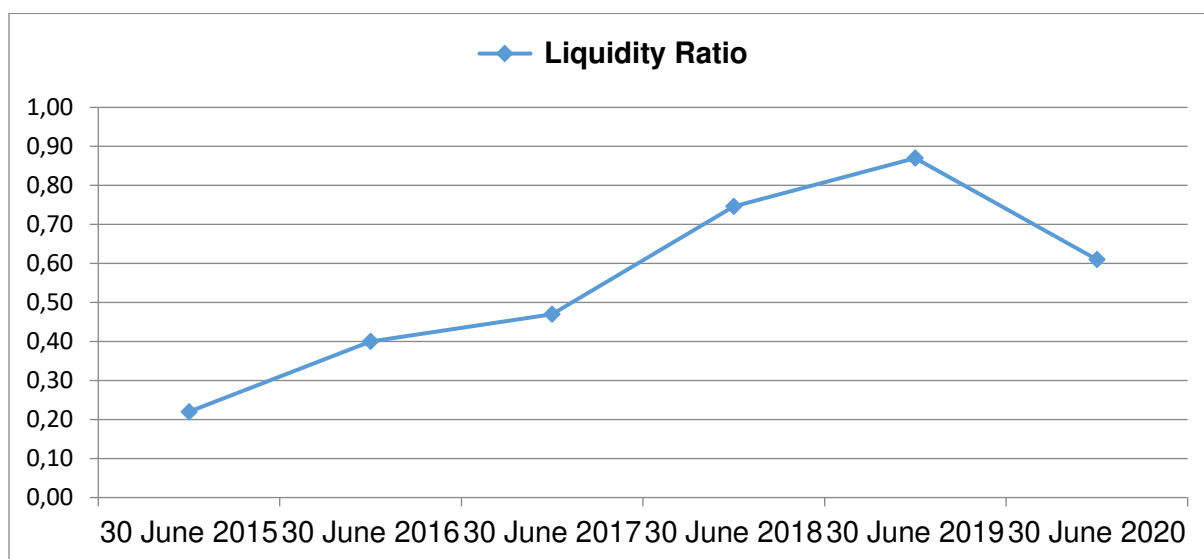
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 2020 was 0.61:1, whilst the Municipality's audited ratio as at 30 June 2019 was 0.87:1.

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

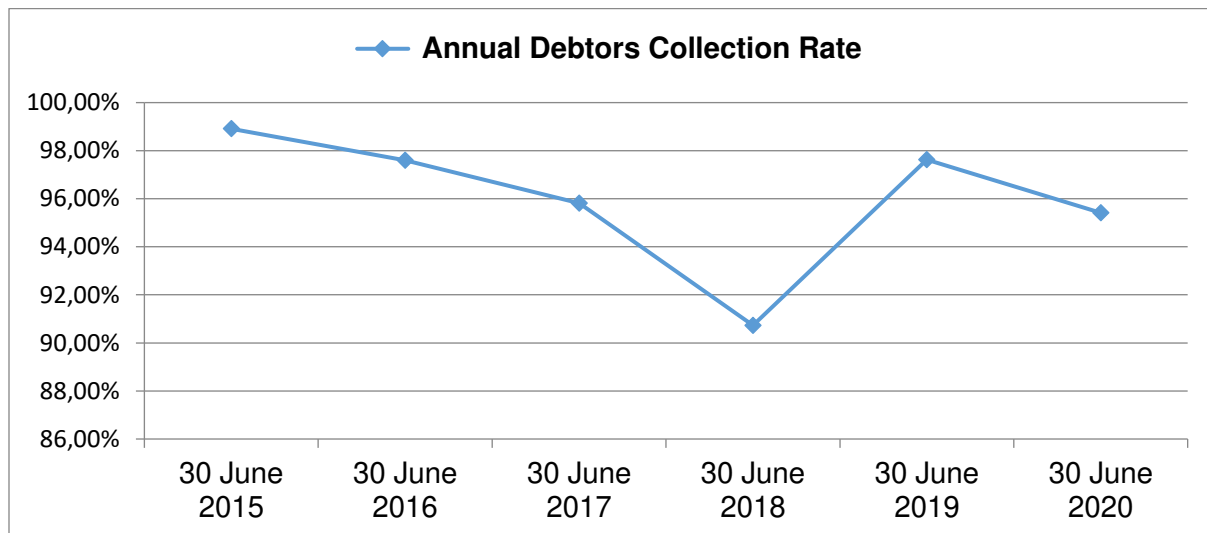
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 2020 was 95.42%, compared to the average collection rate of 97.62% for the 2018/19 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.

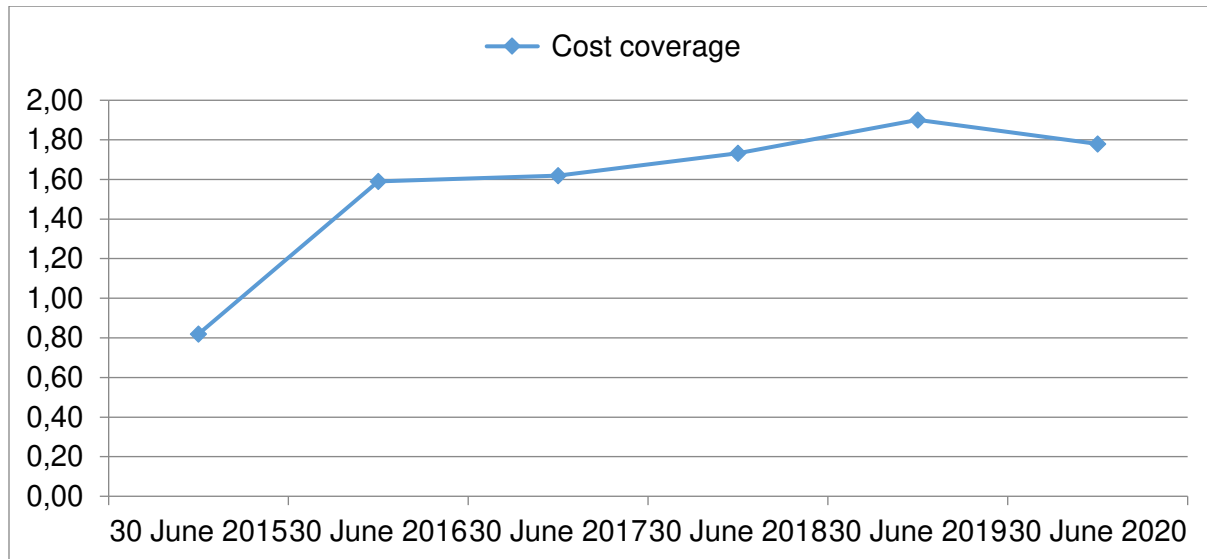
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 2020, the Ratio was 1.78 months, whilst the Municipality's audited ratio as at 30 June 2019 was 1.90 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



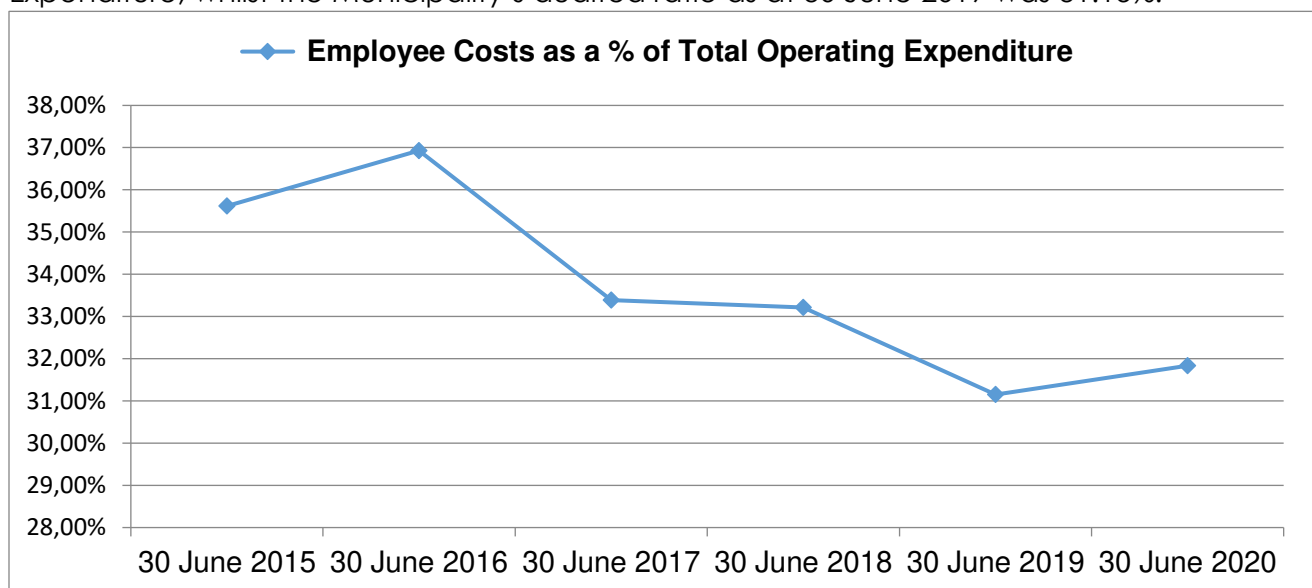
4.1.3.8 EMPLOYEE COSTS AS A % OF TOTAL OPERATING EXPENDITURE

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 2020, Employee Related Costs constituted 31.83% of the Total Operating Expenditure, whilst the Municipality's audited ratio as at 30 June 2019 was 31.15%.



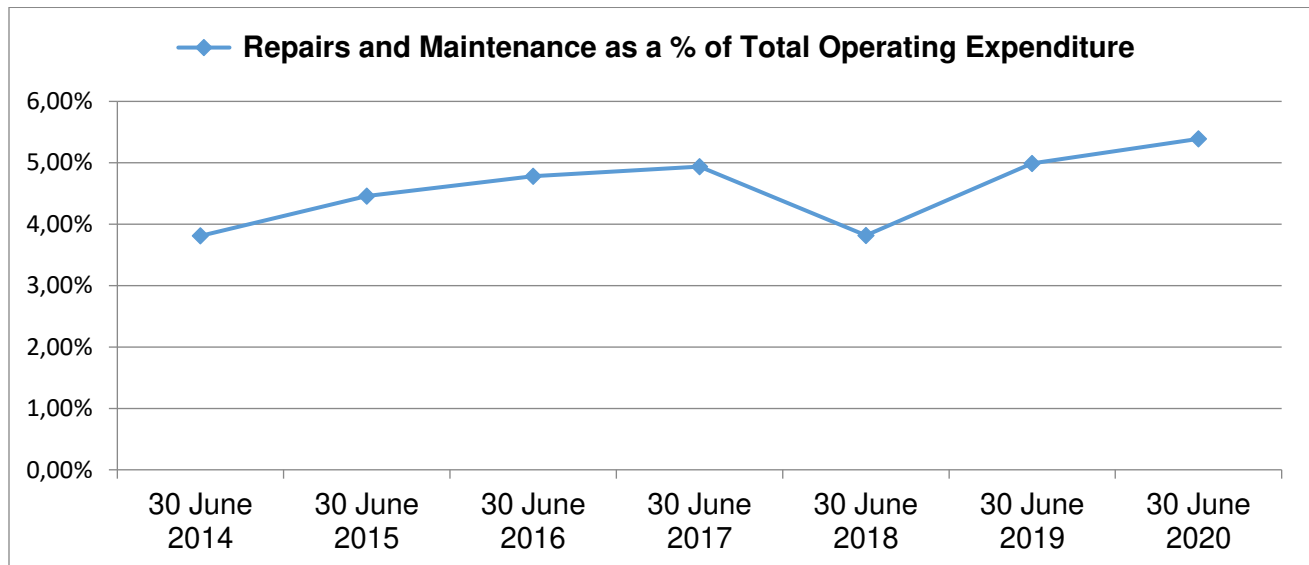
4.1.3.9 REPAIRS AND MAINTENANCE AS A % OF TOTAL OPERATING EXPENDITURE

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 2020, the Ratio was 5.39%, compared to the Municipality's audited ratio of 4.99% as at 30 June 2019.



4.1.3.10 REPAIRS AND MAINTENANCE AS A % OF THE BOOK VALUE OF PROPERTY, PLANT AND EQUIPMENT (PPE)

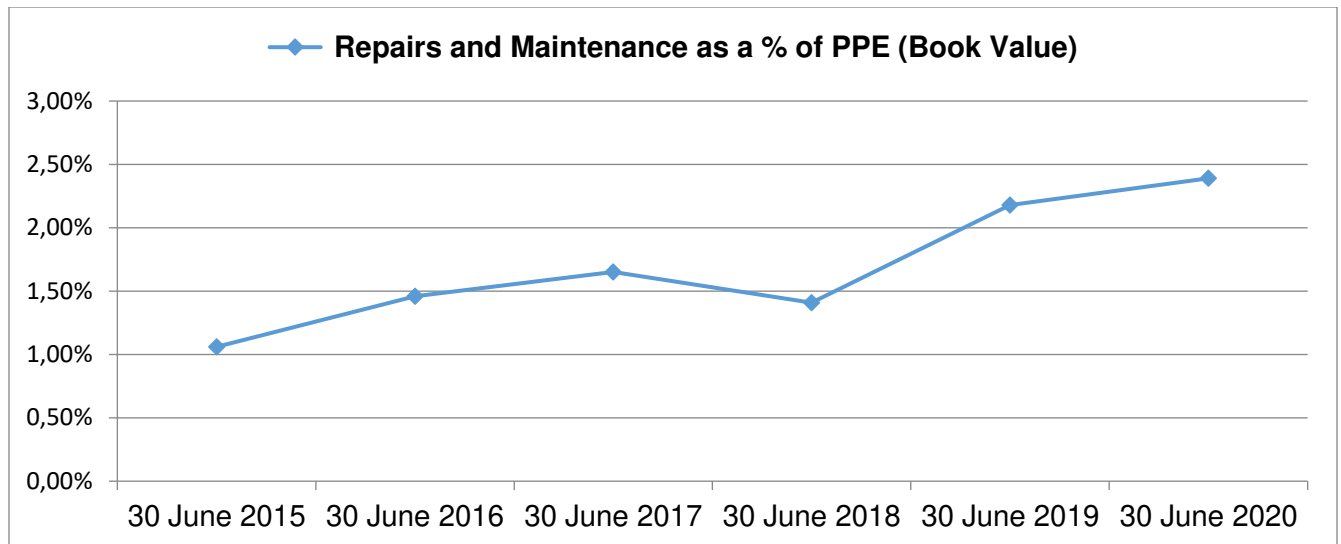
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 June 2020, repairs and maintenance expenditure constituted 2.39% of the book value of PPE. The Municipality's audited ratio as at 30 June 2019 was 2.18%.

In terms of the MFMA Circular No.71, the norm is 8%.



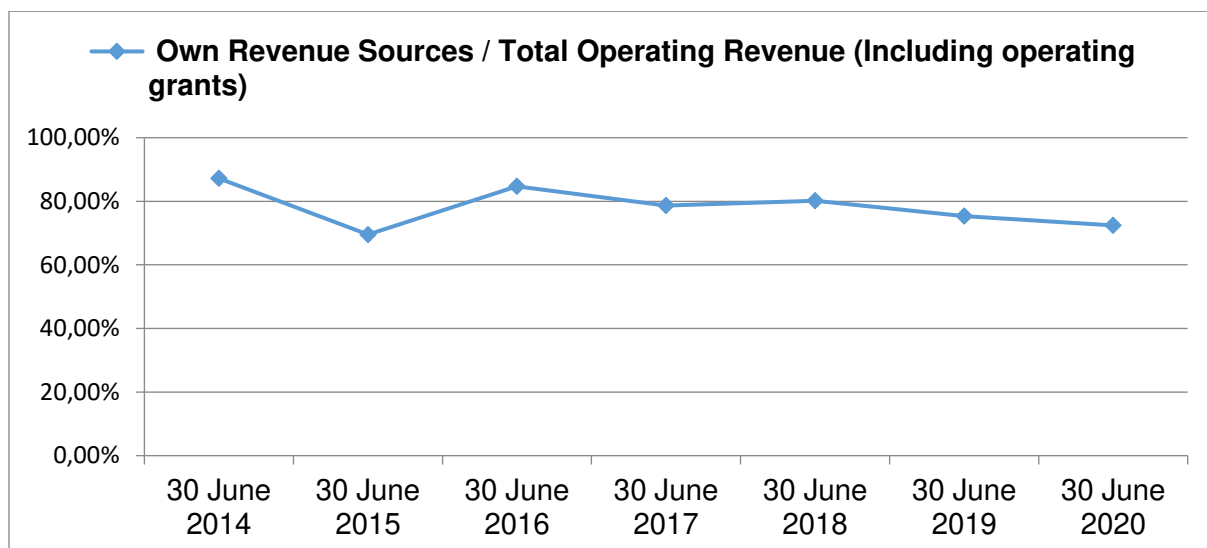
4.1.3.11 OWN REVENUE GENERATION

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 2020, the Municipality's own revenue sources constituted 72.41% of its total Operating Income. The Municipality's audited ratio as at 30 June 2019 was 75.36%.



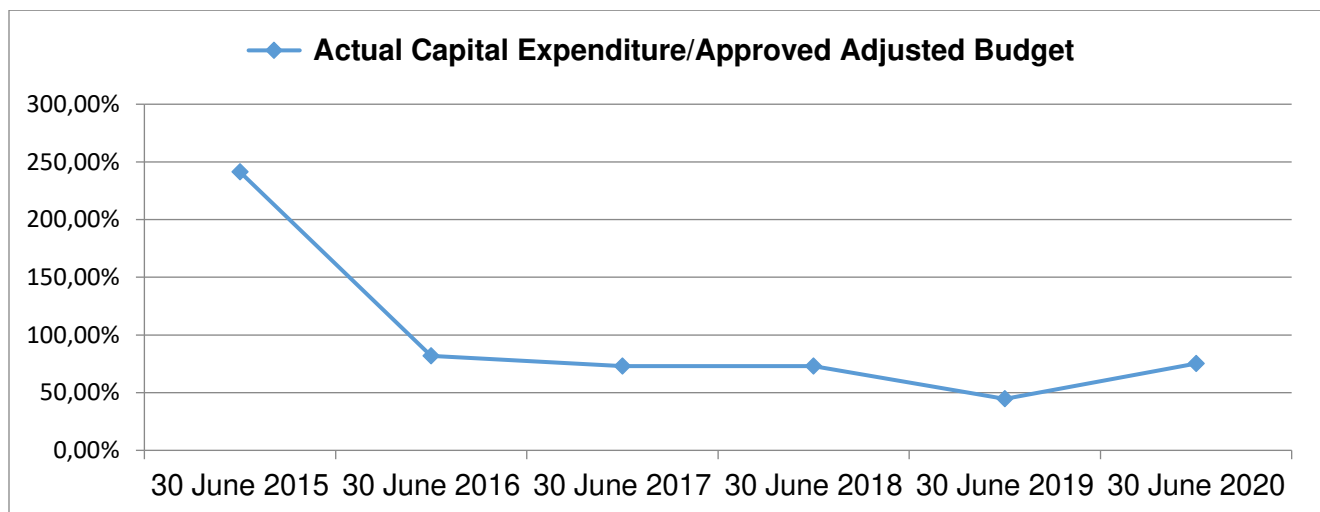
4.1.3.12 CAPITAL BUDGET SPENDING

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 2020 amounted to 75.33%, compared to the 2019/20 Capital Adjustments Budget. The Municipality's audited ratio as at 30 June 2019 was 44.59%.



4.1.3.13 ARREARS IN PROPERTY RATES AND SERVICE 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.

SARS Tax Compliance Status

The SCM Officials are required to be listed as users on the SARS E-Filing account of the municipality to verify the Tax Compliance Status of the Service Providers. SARS has also provided an online training to SCM officials on the verification of tax status, currently there are two SCM officials that are registered with SARS to do the online verification.

National Treasury Centralized Supplier Database

The Supply Chain Management Officials are listed on the National Treasury Centralized Supplier Database. The municipality has been added as a supplier on the National Treasury Centralized Supplier database with the supplier number MAAA0214163.

Bid Committees

The below mentioned committees are established and functioning in accordance with the SCM Policy:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

The committees are responsible to ensure that the required procurement processes are followed in respect of formal tenders.

Bid Committee Meetings held during the 2019/20 financial year:

	BSC	BEC 1	BEC2	BAC	BAC	BAC
Chairperson	A. Koegelenberg	A. Perils	C. Venter	S. Thys	S. Abrahams	R. Lorgat
Number of meetings that took place.	20	18	23	16	2	3
Number of meetings cancelled	0	0	0	0	0	0
Provide reasons for all meetings not held as per scheduled dates.	n/a	n/a	n/a	n/a	n/a	n/a

Training- Supply Chain/ Stores Section

On the 2 May 2019, Ilinge Labantu Debt Solutions CC was appointed to render various training serviced including Bid Committee Training. The rollout of the training started the rollout of the training in the 2019/20 financial year. All the bid committee members were trained. The training was followed by a few refresher sessions which were facilitated by Provincial Treasury. All the SCM section staff attended the training with the District Municipality.

Filling of vacancies for the Supply Chain Management Section

During the 2019/20 financial year end, the SCM section had three unfunded vacancies that were not funded. In early October 2019. A service provide was appointed who performed a work study which confirmed that SCM was understaffed. The new organogram indicates that a fully-fledged SCM Section should consist of twenty (22) employees. Currently the SCM has a total of ten(10) permanent employees.

Monthly and Quarterly reports

Monthly deviations reports are submitted in terms of the SCM policy for the procurement of goods and service (See paragraphs 8C and 8D below). Monthly and quarterly reports are required to be submitted to Provincial and National Treasury in respect of the procurement of goods and services. These reports were submitted in accordance with paragraph 6 of the Supply Chain Management Policy. Regular reports are submitted to the Finance Portfolio Committee meetings.

The following reflects the activities and achievement of the Supply Chain Unit other than activities related to the functionality of the Bid Committees.

Seven Day Notices Awarded:

A Total of Eighteen (18) Seven Day Notices was awarded for the period 1 July 2019 to 30 June 2020, as detailed below:

	Contract Description	Awarded Bidder	Date of Award	Amount
1.	Notice 114/2019: Re-advertisement - Supply & Fitment of two hydraulic low level bin lifters	Rencor Engineering (Pty) Ltd	08-Oct-19	R 163 300,00
2.	Notice 155/2019: Supply & Delivery of Firefigting Equipment	ITS Pumps & Seals Marce Projets Memotek Trading CC Vanguard Fire & Safety Inland	25-Oct-19	R 142 698,90

3.	Notice 156/2019: Review of AFS	Nexia SAB&T	21-Aug-19	R	27 074,45
4.	Notice 185/2019: Supply & offloading of open side storage containers	Memotek Trading	30-Oct-19	R	79 884,75
5.	Notice 197/2019: Supply & delivery of High Density filing Cabinets	Workstation Office furniture (Pty) Ltd	04-Nov-19	R	141 247,60
6.	Notice 200/2019: Supply & delivery of lifesaving clothing	High End Properties & Projects Memotek Trading Bayzen Trading Xtreme Embroidery	08-Nov-19	R	140 060,40
7.	Notice 201/2019: Review of ILUS	Urban Dynamics EC	02-Dec-19	R	172 500,00
8.	Notice 221/2019: Appointment of an OHS Agent for the Upgrading of the Sea Vista Sports Facility in St Francis Bay	Safe Working Practice SA	10-Dec-19	R	56 867,50
9.	Notice 235/2019: Refurbishment of Cherry Picker	Rencor Engineering (Pty) Ltd	31-Dec-19	R	163 245,95
10.	Notice 236/2019: Refurbishment of firefighting tanker	Pixifusion t/a Pro Alloy	31-Dec-19	R	189 364,75
11.	Notice 237/2019: Supply & Delivery of festive lights	Candi-lite Cables CC	27-Nov-19	R	192 701,47
12.	Notice 238/2019: New electrical tariffs for the 2020-2021 financial year	Clinkscapes Maughan Brown (South)	04-Dec-19	R	117 415,00
13.	Notice 23/2020: Refurbishment of backhoe machine	Phakamisa Fleet Services	27-Apr-20	R	126 338,90
14.	Notice 24/2020: Engine repair and Refurbishment of man tipper truck	Phakamisa Fleet services	27-Apr-20	R	146 970,00

15	Notice 31/2020: Supply, Delivery and Offloading of New Containers for Electrical department	Awarded to wilco containers, who upon receipt of purchase order indicated that they are unable to deliver. XNKZ holdings has the second highest score and confirmed they will be able to deliver. New order to be issued	24-Mar-20	R 167 016,00
16	Notice 50/2020: Supply and delivery of a reconditioned engine (6hh1) for an Isuzu FTR 800	Phakamisa fleet services	27-Mar-20	R 109 250,00
17	Notice 51/2020: Supply, Delivery and Offloading of a 22kv pole mounted load break switch unit; 2-way, 3-position (on-off-earth) manually operated sf6	Memotek trading	20-Apr-20	R 114 804,27
18	Notice 89/2020: Supply, Delivery and Offloading Of New Standard Duty Racking System	Cassim's Premier Pipe Supply	12-Jun-20	R 207 557,75

Competitive Bids awarded for the period:

A total of 54 bids were advertised. A total of 4 bids were cancelled and 50 was successfully awarded for the period from 1 July 2019 to 30 June 2020.

	Contract Description	Service Provider	Date of Award	Amount
1.	Notice 55 /2019: Appointment of Service Provider for Document Imaging and Off- Site	Metrofile Pty Ltd	27-Jun-19	Various rated items

	Storage for a period of 3 years					
2.	Notice 72 /2019: Employee Assistance Programme for a period of 3 years	Careways Wellness Pty Ltd	27-Jun-19	R	15,98	Year 1
				R	16,78	Year 2
				R	17,62	Year 3
3.	Notice 9 /2019: Supply, Delivery and Installation of Air Conditioners for a period of 3 Years	Jolene Oelofse Photography t/a M& J Services W& M Auto Electrical and Air Conditioning t/a Diesel Tronix	26-Jul-19		various rated items	
4.	Notice 18 /2019: Supply and Delivery of Complete New Set of Hydraulic Equipment	The Rescue Tool Guys Pty Ltd	12-Aug-19	R	299 753,25	
5.	Notice 19/2019: Supply and Delivery of New Backhoe Loaders to Kouga Local Municipality for a three (3) year period	Lutha General Trading-item 1	07-Aug-19	R	1 024 810,60	
		Luth General-Item 2 (additional Trench Bucket 300mm -ad hoc)		R	23 100,00	
6.	Notice 42 /2019: Medical Surveillance for a period of 3 years to Kouga Municipality.	Momentum OCSA Pty Ltd	12-Aug-19		various rated items	

7.	Notice 208/2019: Appointment of Legal Panel Services	Cancelled	07-Aug-19	n/a
8.	Notice 166/2018: Contract I&E 6/ 2018 Supply and Delivery of Manholes, Concrete Pipes and Products	Cancelled	07-Aug-19	n/a
9.	Notice 90 /2019: Supply, Delivery and Offloading of Streetlight Poles	Maluyo General Trading, Setlatlapi Business Enterprise, Artivolt Pty Pty, Genlux Lighting, Memotek Trading CC	02-Oct-19	Various rated items
10	Notice 38 /2019: Request for Travel Agency Services for a period of three (3) years	Sure Maritime Travel	02-Oct-19	Various rated items
11	Notice 74/2019: Supply, Installation and Maintenance of a Biometric Access Control System for a period of three (3) years	ERS Bio Pty Ltd	02-Oct-19	Various rated Items
12	Notice 89 /2019: Cleaning Services for a period of twelve months	B.M Machesa	02-Oct-19	Various rated items
13	Notice 133 /2019: Appointment of Service Provider to conduct a Work Study	Brian Singh Consulting	02-Oct-19	Various Rates per hour for each professional on the team
14	Notice 113 /2019: Appointment of a Professional SP for the Duine Road Extension	JG Africa	30-Oct-19	as per Fee Proposal

15	Notice 123 /2019: Appointment of Suitable Qualified Service provider(PSP) for the Design and Administering of the Kwanomzamo Sports Facility in Humansdorp	Bosch Projects Pty Ltd	30-Oct-19	R 631 580,00
16	Notice 160/2019: Appointment of Suitable Qualified Service provider for the Bulk Infrastructure Work and Electrification of 200 Houses at Kruisfontein, Humansdorp	VE Reticulation Pty Ltd	30-Oct-19	R 4 674 269,30
17	Notice 65/2019: Security Services for a period of 3 years	GAP Management Pty Ltd - Alarm installation & sensors Smhart Guards Family Trust - Guarding ad hoc	19-Nov-19	Various Rates
18	Notice 81/2019: New LDV- Income for a period of Two years.	Sisonke Fleet Management (Pty) Ltd	19-Nov-19	R 369 964,20 per unit
19	Notice 116/2019: Supply and Delivery of 4X4 Vehicles	Simunye Fleet Management Pty Ltd Masilelo Investments Pty Ltd	19-Nov-19	Single cab= R489 345,70 Double cab= R579 437,39
20	Notice 146/2019: Supply and Delivery of LED Street lights and Floodlights	PH marketing Pty Ltd Real Time Trading & Projects	19-Nov-19	R 3 357 866,83
21	Notice 167/2019: Call for Proposals for the Recovery of Calculations of VAT	Maximum Profit Recovery Pty Ltd	05-Dec-19	4,88%

	Apportionment for a Three Year Period in Accordance with Legislation			
22	Notice 166 /2019: Supply, Delivery and Offloading of a 500kVA, 11000/400 Volts Miniature Substation	Actom Electrical Products a division of Actom Pty Ltd	12-Dec-19	R 485 934,80
23	Notice 134/2019: Appointment of a Service Provider to Facilitate Training Programmes	Eskilz College Pty Ltd Aurice Dealers cc t/a Falcon Fire Arm Academy Wathinka Integrated HR Solutions Pty Ltd Industries Education & Training Institute Pty Ltd Kagiso Business Concepts Pty Ltd Imbawula Civil Projects	12-Dec-19	Various Rates
24	Notice 126 /2019: Appointment of Contractor: Upgrading of Patensie Waste Water Treatment Works	Rudcor Engineering Pty Ltd	15-Jan-20	R 6 944 735,88
25	Notice 157/2019: Lease of laptops for a Period of Two (2) Years	Shelve Wizard t/a TCL Consulting	12-Dec-19	rated options per month
26	Notice 175 /2019: Appointment of Contractor: Resealing of Roads for a Twelve (12) month period	Scribante Construction EC Pty Ltd	12-Dec-19	various rated items

27	Notice 199/2019: Supply and Delivery of a new 4X4 6000L Fire Fighting Water Tanker Single Cab and the Supply and Delivery of a 2.5 ton 4x4 Chassis Fire Fighting Vehicle	Vexoscore	10-Feb-20	R 2 886 936.34 R 2 087 182.94
28	Notice 198/2019: Supply and Delivery of a new Quadbike	Bayzen Trading CC	10-Feb-20	R 227 194.01
29	Notice 158/2019: Supply and Configuration of Enterprise Endpoint Data Protection Solution	Datacentrix Pty Ltd	10-Feb-20	R1 451 508.26
30	Section 32 award from Sarah Baartman District Municipality for Municipal Minimum Competency Level Training Programme	Fachs Business Consulting and Training	11-Feb-20	R 1 322.95 per Unit Standard per person incl all travel and disbursements R1035.00 per Unit Standard per person for RPL incl all travel and disbursements
31	Notice 222/2019: Plant, Design and Build for the Upgrade and Refurbishment of the Kwanomzamo Humansdorp WWTW	Lektratek Water Technology	11-Feb-20	R 28 373 087,10
32	Notice 154 of 2019: Supply and Delivery of Grass Cutting Equipment	Mfangano Solution Pty Ltd- Item1- Lawnmower Premier Attractions t/a ZJS Distributors - Item 2:Side Cutter Vivamark CC- Item 3- Chainsaws	27-Feb-20	Various Rates

		Memotek- Item 4 Trailer Mounted Chippers		
33	Notice 159 of 2019: Full Maintenance Lease of Two 26 Ton Landfill Compactors for a period of Three years	Cancelled	27-Feb-20	n/a
34	Notice 186 of 2019: Supply and Installation of WIFI Solution for a period of Three Years to Kouga Municipality	Innovo Networks Pty Ltd	04-Mar-20	R 200 210,26
35	Notice 215 of 2019: Supply and Delivery of DIY Wooden Play Park Apparatus (Jungle Gyms)	Polar Route Trading 149 CC t/a Gladiator Jungle Gyms	04-Mar-20	R 24 120,00
36	Notice 194 of 2019: Supply and Configuration of MSCOA DR Solution for a Period of Three (3) Years	Mars Tehcnologies Pty Ltd	04-Mar-20	Once off Cost: R13202,00, Price per month R7865,30 incl VAT
37	Notice 194 of 2019: Appointment of a Registered Auctioneer for a Three Year Period	Action - All Pty Ltd	04-Mar-20	Appointment is R7.00 commission per R100,
38	Notice 19 of 2020: Supply and Delivery of Housing Material for Informal Houses in Stofwolk Hankey	Take 5 Construction & Projects CC	04-Mar-20	R 16525,79 per unit
39	Notice 173 of 2019: Supply, Delivery and Installation of High Density Filing System at KLM	Circular Office Suppliers & Printers cc t/a Valmac Office National	18-Mar-20	Various Rates
40	Notice 176 of 2019: Supply, Delivery and Offloading of Electrical Transformers Material and Hardware	Aberdare Cables Pty Ltd Memotek Pty Ltd Powercomm Solutions	12-Mar-20	Various Rates Per Items

		Actom Pty Ltd		
41	Notice 208 of 2019: Supply, Delivery and Installation of Office Furniture to KLM for a three (3) year period	Thuthuka Office Supplies Women of Strength Projects Pty Ltd Bayzen Trading Pty Ltd Esizwe Group Shumash Trading Enterprise Workstation Office Furniture Pty Ltd	25-Mar-20	Various Rates Per Items
42	Notice 9 of 2020: Supply and Delivery of Two (2) 22 000/11000 Volts, 3150 Kva Transformers	Greenro Solutions Pty Ltd	25-Mar-20	R 1 409 955,96
43	Notice 22/2020: Supply, delivery and offloading of a 22KV Auto Recloser with Control Unit	Tavrida Electric Africa (Pty) Ltd	27-May- 2020	R163 875.00
44	Notice 5/2020: Appointment of a Service Provider for the Development of the Jeffreys Bay Precinct Plan	Urban Dynamics EC	27-May-20	R 494 500.00
45	Notice 177/2019: Supply, Delivery and Installation of Hire units for Live Vehicle Tracking / Fleet Management / Stolen Vehicle Response with ongoing training & support and Fuel Management for a period of 36 months	Ctrack Mzansi (Pty) Ltd	27-May-20	R 344.65 per month

46	Notice 216/2019: Trench and Install 11000 Volt MV Cable	Cancelled	27-May-20	n/a
47	Notice 182/2019: Appointment of a Service Provider to conduct a Risk Assessment for a period of three (3) years as and when required	Lateral Unison Insurance Brokers (Pty) Ltd	29-May-20	Various Rates
48	Notice 183/2019: Upgrading of Sea Vista Sports Facility	LR Projects CC	29-May-20	R 4 387 137,30
49	Notice 219/2019: Appointment of a Professional Service Provider to develop a Housing Sector Plan for the period 2020-25 within a period of three (3) months	JG Afrika (Pty) Ltd	29-May-20	R 277 610.00
50	Notice 233/2019: Supply, Delivery, Installation and Maintenance of the municipal electrical network and equipment for a three (3) year period	Zingco 110 CC t/a Scheyisa Powerlines	29-May-20	Various Rates
51	Notice 220/2019: Compilation of a Water Masterplan for Kouga Municipality for a period of three (3) years	Uhambiso (Pty) Ltd	29-May-20	R 919 195.00
52	Notice 174/2019: Supply, Install and Commission of High Mast Lights in Kouga Area	VE Reticulations (Pty) Ltd	29-May-20	R 9

53	Notice 8/2020: Phase 1a Of New Municipal 66kv Double Circuit Overhead Line Between Melkhout Substation at Humansdorp and the Main Intake Substation at Jeffreys Bay	VE Reticulations (Pty) Ltd	29-May-20	R 1,887,085.60
54	Notice 234/2019: Perform Professional Electrical Consulting Services for a period of three (3) years	CVW Consulting Engineers (Pty) Ltd to Clinkscapes Maughan-Brown (Pty) Ltd	29-May-20	The discount is 10% on the 9% Professional fees which makes it effectively 8.1%

Operational Deviations for the period below R30 000.00:

The operational deviations for the period amounted to R 886 113.52, below table details the breakdown per directorate:

REQ NO	SUPPLIER NAME	REQUESTOR	AMOUNT	REASON	
FINANCE					
102840	WINDEED	R VAN HEERDEN	R 12 275,01	SEARCH FEES - JUNE 2019	05-Jul-19
102852	WINDEED	R VAN HEERDEN	R 9 614,12	SEARCH FEES - JULY 2019	30-Jul-19
102863	WINDEED	R VAN HEERDEN	R 7 855,50	SEARCH FEES, AUGUST 2019	30-Aug-19
102896	WINDEED	R VAN HEERDEN	R 8 826,67	SEARCH FEES OCT 2019	30-Oct-19
109410	WINDEED	R VAN HEERDEN	R 8 681,95	SEARCH FEES FOR NOV 2019	03-Dec-19
INFRASTRUCTURE & ENGINEERING					
91798	SCHEYISA POWERLINE	F. KRUGER	R 5 253,20	EMERGENCY REPAIRS: REANTAL OF CRANE TRUCK IN OCEAN VIEW- INV SCH002	22-Aug-19
101935	SUPA QUICK	F. KRUGER	R 2 281,60	BATTERY - SMF101EXIDE (2 OF THE QUOTES ATTACHED	19-Aug-19

				ARE FROM MIDAS HDORP/JEFFREYS BAY	
101061	BARLOWO RLD EQUIPMENT	M BESTER	R 13 593,69	DUE TO NORMAL OPERATIONAL DUTIES AT THE LANDFILL SITE THE TLB NEEDS TO BE REPAIRED	11-Sep-19
108251	RENCOR	M. BESTER	R 7 337,00	FNG215EC - SUPPLY 80CC 3BOLT PUMPS AS PER SAMPLE	26-Nov-19
108225	UNIVERSAL EQUIPMENT	M. BESTER	R 5 134,75	DWV246EC - REPAIRS TO REFUSE COMPACTOR ALLISON GEARBOX	26-Nov-19
106548	MAARCHA LK & VENNOTE	T. MADATT	R 19 882,00	DETAIL CONTOUR SURVEY OF ENTIRE ARE MARKED WITHIN THE YELLOW LINESPLUS THE LOWEST OVERHEAD LINE CONDUCTOR OF ESKOM EXISTING 66KV OVERHEAD LINE AT POINTS A,B,C AND D ASA SHOWN	26-Nov-19
108279	BILLSON TRUCKS	M. BESTER	R 4 904,35	FMX511EC - CHECK AND REPAIR TO ENGINE SWITCHING OFF AND	03-Dec-19

				IDLING PROBLEM IN VEHICLE	
108281	RENCOR ENGINEERING	M. BESTER	R 11 353,95	DWN714EC - REMOUNT COMPACTOR, FIT NEW SPRING MOUNTS, FIT NEW RUBBING & MOUNTING PLATES, WELD AND REINFORCE MOUNTING AND BODY OVERHANG	03-Dec-19
108280	RENCOR ENGINEERING	M. BESTER	R 19 538,50	JDW953EC - REPAIR HYDRAULIC PLATFORM OF CHERRY PICKER	03-Dec-19
108287	RENCOR ENGINEERING	M. BESTER	R 7 863,57	DVR990EC - SUPPLY PARTS, MATERIAL AND LABOUR: VACUUM VALVE x1, GAUGE x1, HOUSE & FITTING x1,	23-Dec-19
COMMUNITY SERVICES					
64885	G4S	A. DU BRUYN	7 209,00	MONITORING AND REACTION FOR THE MONTH OF JUNE 2019	10-Jul-19
64886	G4S	A. DU BRUYN	R 10 944,00	MONITORING AND REACTION FOR THE MONTH OF JULY 2019	10-Jul-19
99331	NHLS	N. DESHA	R 16 560,00	WATER SAMPLES MAY 2019	01-Aug-19

99332	NHLS	N. DESHA	R	8 161,55	WATER SAMPLES- JUNE 2019	01-Aug-19
105714	TH WOOLDRIDGE	N. SIWELA	R	15 675,00	MONITORING OF THE BREACHING AT THE SEEKOEI ESTUARY AND PREPARATION OF BRIEF REPORT- PROCUREMENT OF PROFESSIONAL SERVICES FOR SEEKOEI ESTUARY ARTIFICIAL BREACH	16-Aug-19
99333	NHLS	N. DESHA	R	8 407,15	WATER SAMPLES JULY 2019	21-Aug-19
104314	SAPS	S NELSON	R	2 000,00	DIRECT PAYMENT: FIRE ARM LICENSE FOR COUNCIL X15	05-Sep-19
106022	NU-PLANT PROJECTS	L MAKUPULA	R	3 277,50	FRONT END LOADERS FOR EFFECTIVE FIREFIGHTING SERVICES IN ST FRANCIS BAY 22 AUG 2019	01-Sep-19
99337	NHLS	N DESHA	R	7 878,50	WATER SAMPLE FOR AUGUST 2019	18-Sep-19
104370	LEXIS NEXIS	A DU BRUYN	R	17 456,64	OFFICIAL BOOKS FOR LEARNERS TEST	03-Oct-19
105732	IWMSA	N SIWELA	R	4 370,00	WASTE CONFERENCE 29 OCT 2019	28-Oct-19
99344	NHLS	N. DESHA	R	7 878,50	WATER SAMPLE SEPT 2019	05-Nov-19

99346	NHLS	N. DESHA	R 8 836,85	WATER SAMPLE OCT 2019	25-Nov-19
104400	G4S SECURE	A DU BRUYN	R 11 376,00	ALL SITES MONITORING AND RESPONSE FOR NOV 2019	02-Dec-19
104334	VARIPRINT	A DU BRUYN	R 13 565,40	BOOKS FOR EXAMINER VEHICLES AND COURIER CHARGES	10-Dec-19
104338	G4S SECURE	A DU BRUYN	R 10 944,00	MONITORING AND REACTION FOR AUGUST 2019	13-Dec-19
104339	G4S SECURE	A DU BRUYN	R 10 944,00	MONITORING AND REACTION FOR SEPTEMBER 2019	13-Dec-19
104376	G4S SECURE	A DU BRUYN	10 944,00	MONITORING AND REACTION FOR OCTOBER 2019	13-Dec-19
109693	PATHCARE	S CAMAGU	R 11 966,40	BLUE FLAG WATER SAMPLE TESTING FOR OCT AND NOV 2019	18-Dec-19
PLANNING, DEVELOPMENT & TOURISM					
98843	SURVEY MONKEY	V YAKE	R4 200,00	PAYMENT FOR SURVEY MONKEY BR & E STUDY KLM ONLINE DATA ANALYSIS SYSTEM	05-Jul-19
98877	UCLG CONFEREN CE	P ARENDSE	R 6 413,00	CONFERENCE REGISTRATION FEE FOR DIR MABUSELA TO ATTEND UCLG CONFERENCE - WORLD	22-Oct-19

				SUMMIT IN DURBAN 11-15 NOV 2019	
MUNICIPAL MANAGERS OFFICE					
103910	JBAY TRAVEL	J REED	R3 480,00	ACCOMODATI ON IN EL FOR F FLOYD ATTENDING PP FORUM MEETING 4-5 JULY 2019	05-Jul-19
103912	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT FOR 13 EMPLOYEES ATTENDING WORKERS RETICULATION PROGRAMME IN KNYSNA	05-Jul-19
103913	JBAY TRAVEL	J REED	R9 199,00	BOOKINGS FOR B SINGH, FLIGHTS, ACCOMODATI ON AND CAR RENTAL	10-Jul-19
103914	JBAY TRAVEL	J REED	R9 836,00	BOOKINGS FOR F. MABUSELA AND MAWETHU PENXA TO JOHANNESBUR G ATTENDING A MEETING WITH SOCIAL HOUSING REGULATORY ATTORNEY	10-Jul-19
103918	JBAY TRAVEL	JREED	R 5 583,00	ACCOMODATI ON FOR HOUSING OFFICIALS IN EL ATTENDING HUMAN SETTLEMENT MEETING	16-Jul-19

103920	JBAY TRAVEL	JREED	R	7 968,00	BOOKING FOR THEO MADATT ATTENDING INEP MEETING AT DEPARTMENT OF ENERGY IN JHB 22-23 JULY 2019	18-Jul-19
103921	JBAY TRAVEL	JREED	R	2 794,35	BOOKING FOR INTERVIEW CANDIDATE FOR PLANS EXAMINER POST M NGQONGISA- ACCOMODATI ON/ CAR RENTAL 30-1 JULY 2019	18-Jul-19
103923	JBAY TRAVEL	JREED	R	2 658,15	BOOKING FOR INTERVIEW CANDIDATE FOR PLANS EXAMINER POST P. NTANGA- ACCOMODATI ON/ CAR RENTAL 30-1 JULY 2019	18-Jul-19
103933	JBAY TRAVEL	JREED	R	3 203,00	ACCOMODATI ON COST FOR IDP MANAGER AT MPEKWENI IN PORT ALFRED ATTENDING IDP COGTA ASSESSMENT 31 JULY -2 AUG 2019	26-Jul-19
103928	JBAY TRAVEL	JREED	R	6 809,00	BOOKING OF ACCOMODATI ON, FLIGHTS AND CAR RENTAL FOR	26-Jul-19

				INTERVIEW CANDIDATE P KWAYIMANI	
103929	JBAY TRAVEL	JREED	R 15 976,00	FLIGHTS AND CAR RENTAL FOR MM,CFO & DIR FELTON FOR MEETING WITH NATIONAL TREASURY	26-Jul-19
103936	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT FOR 13 EMPLOYEES ATTENDING WORKERS RETICULATION PROGRAMME IN KNYSNA	07-Aug-19
103938	JBAY TRAVEL	JREED	R 5 954,00	ACCOMODATI ON, FLIGHTS AND CAR RENTAL FOR ARTIST STEPHANIE AQUILA BAARTMAN BUTHELEZI - PINNIQUIN GUEST HOUSE JEFFFREYS BAY 18-19 AUGUST 2019 FOR KOUGA WOMENS DAY PROGRAM	15-Aug-19
103940	JBAY TRAVEL	JREED	R 4 437,00	ACCOMODATI ON IN EAST LONDON FOR R. NEL & MINNAAR ATTENDING DOT MEETINGS	20-Aug-19
103941	JBAY TRAVEL	JREED	R 24 015,00	BOOKING FOR N.MACHELESI ATTENDING	27-Aug-19

				THAILAND DISASTER EXCURSION	
103942	JBAY TRAVEL	J REED	R 5 658,00	ACCOMODATI ON FOR 2 OFFICIALS FROM TRAFFIC DEPARTMENT ATTENDING TRAINING IN GRADE F EXAMINENT 2 DRIVING LICENSE COURSE	27-Aug-19
103943	JBAY TRAVEL	J REED	R 2 985,00	ACCOMODATI ON FOR SKILSS STAFF ATTENDING LGSETA IN PORT ALFRED	27-Aug-19
103946	JBAY TRAVEL	K. MOODLEY	R 5 295,00	ACCOMODATI ON IN EAST LONDON FOR K MOODLEY ATTENDING SALGAPAC MEETING 3-6 SEPT 2019	30-Aug-19
103947	JEFFREYS BAY TRAVEL	J REED	R9 000,00	BOOKING FOR F MABUSELA IN CPT ATTENDING SALGA FOREST VILLAGES SUPPORTS	10-Sep-19
103950	JEFFREYS BAY TRAVEL	J REED	R6 030,00	TRANSPORT 13 EMPLOYEES TO KNYSNA ATTENDING WATER RETICULATION PROGRAMME	10-Sep-19

103955	JEFFREYS BAY TRAVEL	J REED	R8 724,00	BOOKING FOR MAYOR ATTENDING PLASTIC TRAIL IN DURBAN - FLIGHT, ACCOMODATI ON AND CAR RENTAL FOR THE 9-10 SEPT 2019	12-Sep-19
103957	JEFFREYS BAY TRAVEL	J REED	R15 525,00	ACCOMODATI ON AND MOBILE TRANSFERS FOR HOUSING OFFICIALS ATTENDING HUMAN SETTLEMENT TRAINING ON HOUSING NEEDS - MONICA TOOIS AND DEON JACOBS	13-Sep-19
103965	JEFFREYS BAY TRAVEL	J. REED	R 3 645,00	ACCOMMOD ATION FOR B. FAULKNER IN EL ATTENDING JOB EVALUATION SYMPOSIUM 25-27 SEPT 2019	18-Sep-19
103966	JEFFREYS BAY TRAVEL	J. REED	R 3 645,00	ACCOMMOD ATION FOR CLLR B. DHLUDHLU IN EL ATTENDING JOB EVAUATION SYMPOSIUM 25-27 SEPT 2019	18-Sep-19

103961	JEFFREYS BAY TRAVEL	J. REED	R 2 075,00	ACCOMMODATION IN EL FOR V. ZANA ATTENDING SPU MEETING 19-20 SEPT 2019	18-Sep-19
103958	JEFFREYS BAY TRAVEL	J REED	R10 905,00	ACCOMODATION BOOKING FOR U. TSHALI AND S. TASK FOR E-NABIS TRAINING IN BISHO ON THE 6-11 OCTOBER 2019	26-Sep-19
103959	JEFFREYS BAY TRAVEL	J REED	R2 050,00	ACCOMODATION FOR FRANK TABOER ATTENDING EPWP MANAGEMENT MEETING 18-20 SEPT 2019	26-Sep-19
103967	JBAY TRAVEL	J REED	R3 983,00	FLIGHT BOOKING FOR EXECUTIVE MAYOR ATTENDING IMESA CONFERENCE IN DURBAN ON 06 SEPT 2019	02-Oct-19
103974	JBAY TRAVEL	J REED	R3 117,00	ACCOMODATION COST FOR T MADATT IN EAST LONDEN ATTENDING NERSA FORMS WORKSHOP 7-9 OCT 2019	03-Oct-19
103973	JBAY TRAVEL	J REED	R5 889,00	ACCOMODATION COST FOR S. BURGER AND Z. GONGQOBA IN EAST	03-Oct-19

				LONDEN ATTENDING NERSA FORMS WORKSHOP 7- 9 OCT 2019	
103972	JBAY TRAVEL	J REED	R6 030,00	TRANSPORT COST FOR 13 EMPLOYEES ATTENDING WATER RETICULATION PROGRAMME IN KNYSNA 6- 11 OCT 2019	07-Oct-19
103969	JBAY TRAVEL	J REED	R4 458,00	ACCOMODATI ON COST AND CAR RENTAL FOR AN EXTRA NIGHT FOR EXECUTIVE MAYOR IN DURBAN ATTENDING IMESA CONFERENCE 30 SEPT-04 OCT 2019	07-Oct-19
103968	JBAY TRAVEL	J REED	R8 433,00	ACCOMODATI ON AND FLIGHT COST FOR EXECUTIVE MAYOR ATTENDING TO INVITE FROM THE OFFICE OF THE PREMIER 29-30 SEPT 2019	07-Oct-19
103975	JBAY TRAVEL	J REED	R10 990,00	BOOKING FOR CLLR B. WILLIAMS IN JOHANNESBUR G ATTENDING FIBRE OPTIC CONFERENCE 07-09 OCT	07-Oct-19

				2019- FLIGHTS, ACCOMODATI ON AND CAR HIRE	
03-Dec- 70	JE'VISTA	A JONCK	R9 600,00	BOOKING OF GERMAN DELEGATION BEER FESTIVAL TABLES - 3X CORPORATE TABLES 11 OCT 2019	08-Oct-19
98961	JE'VISTA	A JONCK	R20 815,00	5PIECE BAND FOR GALA EVENING BEER FESTIVAL 11 OCT 2019 - MAYOR FUNDRAISOR	09-Oct-19
103976	JBAY TRAVEL	J REED	R3 645,00	ACCOMODATI ON FOR MAYOR ATTENDING TRANSPORT SUMMIT 16-18 OCT 2019	14-Oct-19
103977	JBAY TRAVEL	J REED	R5 889,00	ACCOMODATI ON FOR V.ZANA ATTENDING BASIC SIGN LANUAGE TRAINING 14- 18 OCT 2019	14-Oct-19
103982	JBAY TRAVEL	J REED	R8 693,55	CAR RENTAL FOR V. FELTON IN DURBAN ATTENDING IMESA CONFERENCE 14 OCT 2019	14-Oct-19
103981	JBAY TRAVEL	J REED	R4 652,52	CAR RENTAL FOR MAYOR ATTENDING IMESA CONFERENCE	14-Oct-19

				IN DURBAN 14 OCT 2019 - EXTRA KILOS TRAVELLED	
103980	JBAY TRAVEL	J REED	R3 623,00	ACCOMODATION FOR CLLR BENSON IN CAPE TOWN ATTENDING BLUE FLAG MEETING & WORKSHOP 21-23 OCT 2019	14-Oct-19
103979	JBAY TRAVEL	J REED	R10 459,00	FLIGHTS, ACCOMODATION AND CAR RENTAL FOR F TAMBOER ATTENDING BLUE FLAG PROJECT ADVISORY MEETING AND WORKSHOP 21-23 OCT 2019	14-Oct-19
103978	JBAY TRAVEL	J REED	R3 522,00	TRANSPORT FOR INTERNATIONAL DELEGATES ATTENDING MEETING IN EAST LONDON	14-Oct-19
98969	UCLG CONFERENCE	A JONCK	R 12 826,00	CONFERENCE REGISTRATION FEE FOR MR.H. BORMAN AND MR. H. HENDRICKS TO ATTEND UCLG CONFERENCE - WORLD SUMMIT OF LOCAL AND REGIONAL LEADERS IN	21-Oct-19

				DURBAN 11-16 NOV 2019	
103986	JBAY TRAVEL	J REED	R 12 700,00	BOOKING FOR S. ABRAHAMS IN CPT ATTENDING SAMRAS USERGROUP MEETING 15-17 OCT 2019, FLIGHTS , ACCOMODATI ON AND CAR RENTAL	21-Oct-19
103985	JBAY TRAVEL	J REED	R 29 053,00	ACCOMODATI ON AND FLIGHT COST FOR N. MATE, Z. GONGQOBA, A. NICHOLS, MS. DODGSON AT THE BLUE PETER HOTEL BLOUBERGSTR AND FROM 15- 17 OCT TO ATTEND SAMRAS USERGROUP MEETING	21-Oct-19
103993	JBAY TRAVEL	J REED	R14 503,00	BOOKING FOR F. MABUSELA IN DURBAN ATTENDING THE BIGM SUMMIT FROM 11-15 NOV 2019, FLIGHT, ACCOMODATI ON AND CAR RENTAL	28-Oct-19

103994	JBAY TRAVEL	J REED	R11 551,00	BOOKING FOR SPEAKER ATTENDING BIGM SUMMIT IN DURBAN FROM 11-15 NOV 2019, FLIGHT AND ACCOMODATI ON	28-Oct-19
109104	JBAY TRAVEL	J.REED	R 8 910,00	TRANSPORT BOOKING FOR 13 EMPLOYEES ATTENDING WATER RETICULATION PROGRAMME IN KNYSNA 03 NOV 2019-08 NOV 2019)	07-Nov-19
109106	JBAY TRAVEL	J.REED	R 5 889,00	ACCOMODATI ON FOR H.VAN ROOYEN IN EL ATTENDING TRAINING IN BHISHO 4-8 NOV2019	07-Nov-19
109111	JBAY TRAVEL	J.REED	R 6 681,00	ACCOMODATI ON FOR EXECUTIVE MAYORFPO IN DBN ATTENDING BIGM MEETING (11-15 NOV 2019)	07-Nov-19
98974	JBAY TRAVEL	J.REED	R 3 601,00	ACCOMODATI ON FOR EXECUTIVE MAYOR IN EL ATTENDING ICT SUMMIT(19-21 NOV 2019)	07-Nov-19
109109	JBAY TRAVEL	J.REED	R 6 681,00	ACCOMODATI ON BOOKING FOR J. DU TOIT	07-Nov-19

				AND N.NONGCAUL A IN EL ATTENDING MISA MEETING (6-8 NOV 2019)	
98986	JBAY TRAVEL	J REED	R11 081,00	FLIGH AND ACCOMODATI ON FOR CLLR WILLIAMS ATTENDING AFRICOM IN CAPE TOWN FROM THE 11- 15 NOV 2019	11-Nov-19
109110	JBAY TRAVEL	J REED	R3 513,00	ACCOMODATI ON FOR A. MAKOMO ATTENDING ICT SUMMIT IN EAST LONDEN 19-21 NOV 2019	11-Nov-19
109114	JBAY TRAVEL	J REED	R2 875,00	ACCOMODATI ON FOR THE HR MANAGER D. DE JAGER ATTENDING JOB EVALUATION PAC MEETING 13-15 NOV 2019 IN EAST LONDEN	13-Nov-19
109115	JBAY TRAVEL	J REED	R5 742,00	FLIGHT FOR V. YAKE TO JOHANNESBUR G FOR APPOINTMENT AT THE EMBASSY IN PTA SHUTTLE SERVICES 14 NOV 2019	15-Nov-19

98991	JBAY TRAVEL	J REED	R11 705,00	ACCOMODATI ON FOR SPEAKER AND CHIEF WHIP ATTENDIMNG LG SUMMIT 3-7 DEC 2019	15-Nov-19
109118	JBAY TRAVEL	J REED	R12 342,00	FLIGHT, ACCOMODATI ON AND CAR RENTALS BOOKING FOR A MAKOMO IN CAPE TOWN ATTENDING WEB SYSTEM TRAINING 25- 28 NOV 2019	20-Nov-19
109119	JBAY TRAVEL	J REED	R18 927,00	FLIGHT AND ACCOMODATI ON BOOKING FOR IT STAFF ATTENDING WEB SYSTEM TRAINING 25- 28 NOV 2019	20-Nov-19
109117	JBAY TRAVEL	J REED	R2 281,00	ACCOMODATI ON FOR 2X SKILL STAFF IN CRADOCK ATTENDING LGSETA MEETING 21-22 NOV 2019	20-Nov-19
91832	COMPUCA MM	L RANDALL	R 23 754,00	PLACEMENT IF "SAVE WATER" BOARDS IN ST FRANCIS x1 AND JEFFREYS BAY x2	11-Dec-19
ADMINISTRATION					
92713	PE TRAFFIC COLLEGE	Z THUBE	R8 681,60	EDL GRADE F COURSE FOR 2 TRAFFIC WARDENS	04-Jul-19
104118	TIMION	M. ROSSOW	R8 567,50	HR CUPBOARDS	11-Jul-19

				FOR HR OFFICES	
104214	ADENDORF ARCHITECTS	Z. MDIDIMBA	R2 875,00	INTERIOR SPATIAL DESIGN REVISIONS	01-Aug-19
104210	TIMION	M ROSSOUW	R14 662,50	HR CUPBOARDS FOR OFFICES	24-Sep-19
<u>TOTAL MONTHLY EXPENDITURE ABOVE R2000.00 WITH ONLY ONE QUOTATION /DEVIATION</u>			R886 113,52		

Section 36 Deviations in terms of Supply Chain Management Policy

The section 36 deviations for the period amounted to R **103 856 521**, below table details the breakdown per section and directorate:

FINANCE - ASSETS	R 334 512,00
REVENUE SECTION	R 179 427,60
BUDGET & TREASURY	R 233 236,78
SCM	R 206 887,50
ICT	R 3 852 500,00
FINANCE -TOTAL	R 4 806 563.88
INFRASTRUCTURE & ENGINEERING: TECHNICAL SERVICE (ROADS/WATER/CHEMICALS/SEWERAGE/PROFESSIONAL FEES)	R 84 945 233,10
INFRASTRUCTURE & ENGINEERING: ELECTRICAL	R 1 223 576,96

INFRASTRUCTURE & ENGINEERING: FLEET	R 1 084 483,58
INFRASTRUCTURE & ENGINEERING TOTAL	R 87 253 293.64
ADMINISTRATION: LEGAL FEES	R 1 529 887,57
ADMINISTRATION: OTHER	R 9 882,64
ADMINISTRATION: HR	R 475 884,99
ADMINISTRATION: ARCHIVES	R 365 801,90
CORPORATE SERVICES TOTAL	R 2 381 457.10
MM OFFICE	R 623 592,00
MM	R 661 191,76
MM AND MAYORS' OFFICE TOTAL	R 1 284 783.76
COMMUNITY SERVICES: FIRE DEPARTMENT / DISASTER MANAGEMENT	R 540 757,45
COMMUNITY SERVICES: TRAFFIC DEPARTMENT/LAW ENFORCEMENT	R 0.00
COMMUNITY SERVICES /REFUSE/ ENVIRONMENTAL HEALTH	R 7 030 492,09
COMMUNITY SERVICES - TOTAL	R 7 571 249.54
LED/TOURISM, /HOUSING/TOWN PLANNING	R 559 173,46
PLANNING, DEVELOPMENT & TOURISM - TOTAL	R 559 173,46
TOTAL AMOUNT OF DEVIATIONS FOR THE 2019/20 FINANCIAL YEAR	R 103 856 521.38

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
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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.

CHAPTER 5: PERFORMANCE MANAGEMENT

COMPONENT A: INSTITUTIONAL SDBIP IMPLEMENTATION SCORECARD:

OFFICE OF THE MUNICIPAL MANAGER: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Travel Agency Services	MM	OP1	Leading Department Tender evaluation report submitted to SCM 20/07/2019	Evaluation report submitted 10 July 2019	Target achieved
Legal Services	MM	OP1	Item submitted to BSC by 26/07/2019	26/07/2019	The matter was submitted to BSC. BSC referred the matter to Provincial Treasury SCM for advice which delayed the achievement of the target date for the submission of a tender evaluation report. New specifications were prepared, and the tender was awarded during 2020
			Leading Department Tender Evaluation Reports submitted to SCM 30/11/2019	Not achieved	

OFFICE OF THE MUNICIPAL MANAGER: SDBIP IMPLEMENTATION

DIRECTORATE			OFFICE OF THE MUNICIPAL MANAGER		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the	Table a draft IDP to Council by 31 March 31/3/20	31/3/20	31/3/20	26/3/2020		31/3/17	31/3/18
				Number of final IDP's submitted to Council by 31 May 2020	31/5/20	31/5/20	0	As per Covid-19 lockdown MFMA Circular 104, the submission of the budget and IDP for approval by Council was moved	31/5/17	31/5/18

			community					out by two Months. Both the Budget and IDP was approved by Council		
			SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community	Number of IDP Public meetings to determine ward priorities	15	15	15	The Covid-19 lockdown and restrictions impacted on the ability to do a second round of consultative meetings with communities.	15	15
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SD 1.3 To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community	Number of IDP Rep Forum Meetings	2	2	2		2	2
				Number of Ward based IDP planning sessions with ward committees	1	1	1		1	1
				Number of strategic planning sessions for the review of the IDP	1	1	1	Held on 13 March 2020	1	1
				Number of IDP's uploaded to web site by 15 June 2020	1	1	0	As per Covid-19 lockdown MFMA Circular 104, submission of the budget and IDP for approval was moved out by two Months, thus the upload also delayed, uploaded 14 June 2019	1	1
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of SDBIP's submitted to the Mayor within 14 days of adoption of budget	1	1	1		1	1
				Number of SDBIP's tabled to Council by 31 July	1	1	1	SDBIP submitted July 2020 but referred back by Council and SDBIP was resubmitted August 2020	1	1
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of SDBIP's uploaded to web site by 5 August 2019	1	1	0	SDBIP uploaded 10 September 2019, SDBIP only approved by Council on 29 August 2019.	1	1
				Number of SDBIP implementation reports submitted to Council	4	4	4		4	4

				Number of SDBIP implementation reports submitted to the Audit Committee	4	4	4		4	4
				Number of performance agreements submitted to Council by 31 August 2019	6	6	6	Performance Agreements submitted to Council August 2019	6	6
				Number of performance agreements uploaded to web site within 5 days of approval	6	6	0	Performance Agreements uploaded to web site on 10 September 2019 following approval by Council on 29 August 2019	6	6
Municipal Manager	Municipal Manager	Good Governance	SOD 1.4 To develop, maintain and monitor the institutional performance	Number of Senior Management Performance Agreements Concluded before 31 July 2019	6	6	6		6	6
				Number of Senior Managers subjected to Quarterly Performance review	6	6	6		6	6
Municipal Manager	Municipal Manager	Institutional Development and Transformation	SD5.1 Ensure HR services supports the achievement of IDP objectives	Number of approved Budgeted Senior Management Positions filled	6	6	6		6	6
		Good Governance and Public Participation	SOD 1.5 To provide comprehensive communication and intergovernmental relations services	Number of Kouga News publications prepared and circulated	1	1	1	Kouga News prepared October 2019	1	1

Municipal Manager	Municipal Manager	Good Governance and Public Participation	SOD 1.4 To develop, maintain and monitor the institutional performance management system/SDBIP in the municipality	Phase 1 of overhauling the functionality of the web site to include payment portals for various functions like traffic fines completed by 30 June 2020	30/6/20	30/6/20	30/6/2020	Web site functionality is a continuous process and is addressed as and when required.	-	-
Municipal Manager	Municipal Manager	Infrastructure and Basic Service Delivery	SOD1.7 To coordinate and manage all special programs to address special needs in society	Establish Women's Forums Established by 30 June 20	4	30/6/20	0		New	New
				Establish Youth Forum by 30 June 2020	4	30/6/20	0		New	New
				Establish Kouga Vulnerable Forum by 30 June 2020	4	30/6/20	0		New	New
Municipal Manager	Municipal Manager	Good Governance and Public Participation	SOD 1.6 To provide professional, effective and efficient legal support to Council and Administration, to protect the municipality's interests and legal risks and ensure legal compliance	Number of Delegation Registers reviewed by 30 June 2020	1	1	1			
				Number of reports on legal risks submitted to Council	4	4	4		4	4
				Audit and review By-Laws by 30 June 2020	30/6/20	30/6/20	1		-	-

DIRECTORATE COMMUNITY SERVICES: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
COMMUNITY SERVICES					
Vehicles (Traffic)	Dir Com Serv	CP23	Item submitted to BSC by 7/10/20	4 bakkies and 3 vehicles (sedans) delivered in quarter 2 of 2019.	Target achieved
			Leading Department Tender evaluation report submitted to SCM 30/04/20		
Vehicles (Lifesaving)	Dir Com Serv	CP23/ CP21	Item submitted to BSC by 2/07/2019	To BSC 19/06/2019 Tender evaluation report submitted 30/09/2019	Target achieved. Vehicles have been delivered by the appointed service providers on 24 January 2020 and 7 February 2020.
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Vehicles Fire Dept	Dir Com Serv	CP23	Item submitted to BSC by 7/01/2020	To BSC 20/09/2019 Tender evaluation report submitted 22/01/2020	Target Achieved
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Fencing - Hdorp	Dir Com Serv	CP32	90% expenditure for fencing	100% expenditure	Kruisfontein Civic Centre + Kwanomzamo Hall fencing completed – order number 108839 = 381 800,00 + order number 108838 = 415 725,00 Fencing at Hankey fire station completed – order number 97298 = R 196 667.25; Fencing of the C-Place cemetery ablution block– order 202207 = R79 925.00; Fencing at Vusumzi Landu hall, Patensie Hall, Pellsrus Gym, C-Place Cemetery completed; Thornhill hall fencing completed order 108838 – R415725.00; 9 Facilities were fenced
Machinery and Equipment(Grass cutting)	Dir Com Serv	PC1003	Item submitted to BSC by 2/07/2019	To BSC 4/07/2019 Tender evaluation report submitted 16/10/2019	38 Side Cutters + 20 x Lawn Mowers delivered
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		
Machinery and Equipment (Lifesaving)	Dir Com Serv	PC1002	Item submitted to BSC by 2/07/2019	BSC 20/09/2019 Tender evaluation report submitted 11/12/2019	Lifeguard uniforms and quad bike for lifeguards were both 7-day notices and the uniforms and vehicle were acquired.
			Leading Department Tender evaluation report submitted to SCM 30/09/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Furniture and Equipment (CCTV Cameras)	Dir Com Serv	PC1003	Item submitted to BSC by 1/01/2020	BSC 05/08/2019 Tender evaluation report submitted 30/09/2019	Target achieved
			Leading Department Tender evaluation report submitted to SCM 25/03/2020		
Upgrading of Sports Facilities	Dir Com Serv	CP074	Item submitted to BSC by 26/08/2019	BSC 28/08/2019 Tender evaluation report submitted 01/2020	
			Leading Department Tender evaluation report submitted to SCM 2/12/2019		
Upgrading of Kwanomzamo Sports Facility	Dir Com Serv	CP095	Item submitted to BSC by 26/08/2019	Tender closed 6/08/2019 Tender evaluation report submitted 11/10/2019	
			Leading Department Tender evaluation report submitted to SCM 2/12/2019		
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Dir Com Serv	PCA001	Item submitted to BSC by 05/07/2019	Diverse range of upgrading completed internally as well as externally	Kabeljous Ablution facility was repaired and renovated, works included Installation of security gate, painting, erection of aprons and bush clearing around the toilets, Fitting of lock and latches Works at Kabeljous park commenced, building of Braai Stands, board walk, planting of trees and landscaping in progress. Cape St Francis Ablution facility , works included changing of sewerage pipes, backwash paint, installation of a new toilet set Kabeljous, Pellsrus and Cape St Francis Ablution facilities upgraded Procurement of waste bins for Kabeljous, Cape St Francis and Pellsrus Parks Pellsrus Park Ablution Facility was fenced to curb vandalism. Kabeljous Park: Building of the disability ramp, Kabeljous, Pellsrus and Cape St Francis Ablution facilities upgraded Part 1 of Landscaping and erecting of Play Park at the Kabeljous Park completed, Play Parks delivered for Pellsrus and Cape St Francis beach parks
			Leading Department Tender evaluation report submitted to SCM 14/19/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Security Guarding	Dir Com Serv	OP1	Item submitted to BSC by 05/04/2019	BSC 05/04/2019 Tender evaluation report submitted 02/10/2019	Security Guarding Tender awarded to Smart Security Q2 Monitoring alarms tender awarded to GAP (December 2019) Awaiting for the Service Level Agreement and will commence on the 15 April 2020
			Leading Department Tender evaluation report submitted to SCM 22/07/2019		
Hire Landfill compactors and waste trucks	Dir Com Serv	OP1	Item submitted to BSC by 05/07/2019	Tender cancelled due to affordability	Tender cancelled
			Leading Department Tender evaluation report submitted to SCM 11/12/2019		

DIRECTORATE COMMUNITY SERVICES: SDBIP IMPLEMENTATION

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of cemetery design and layout completed by 30 June 2020	2	2	2		-	-
Community Services	Dir Com Serv	Infrastructure And Basic	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play	Number of cemetery EIA's implemented by 30 June 2020	1	1	0	The process for the basic assessment process is 18 months. The service provider has assessed the site for Critical Biodiversity, Terrestrial Ecosystem,	-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Service Delivery	parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community					Groundwater Impact, Archeology and heritage. Applied for Section30A, Awaiting approval from the DEDEAT-		
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of public ablution facilities upgraded (Pellsrus, Kabeljous, Cape St Francis)	3	3	3		-	-
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of caravan parks upgraded (Yellow woods, Jeffreys Bay)	2	2	2		-	2
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of community halls upgraded (Kruisfontein Civic, Newton Hall)	2	2	4		-	1

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of chairs and tables procured for community halls	100-T 1000-C	100-T 1000-C	0	The procurement of tables and chairs could not be finalised in Q2 + Q3 due to price escalation by the Service provider however the approval was granted. Price escalation for tables lead to no tables being ordered and funds redirected to additional chairs, chairs ordered but could not be delivered before year end to covid-19.	-	-
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of sports fields upgraded (Loerie and Thornhill Club Houses)	2	2	2		-	-
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	Number of sports fields upgraded (Pellsrus, Sea Vista, Kwanomzamo)	3	3	3		-	1
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls,	Number of Play Parks upgraded (Gill Marcus, Arcadia,	4	4	4		-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Delivery	beaches, public ablution facilities and cemeteries to the community	Kwanomzamo, Kablejouws)						
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.3 To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community	% budget expenditure on grass cutting and bush clearing equipment	100%	100%	100%	Side Cutters x 38 (205089, R 215 004) and Kudu Lawnmovers ORDER 205699 -R479550.00was delivered ,total expenditure R 649 210,00: 38 Side Cutters + 20 x Lawn Mowers delivered	-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of disaster management plans reviewed by 30 June 2020	1	1	1		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of meetings of the Disaster Risk Management Forum	District 4	4	12 JOC	The Disaster Risk Management Forum was postponed due to the COVID-19 pandemic, that was scheduled to be held on 19 March 2020, however internal Joint Operation Committee (JOC) meetings for Covid 19 replaced all the Disaster Risk Management Forum, 4 x Joint Operation Committee (JOC) meetings for Covid 19 replaced all the Disaster Risk Management Forum meetings	1	3
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of vehicles and equipment procured for lifesaving and fire and disaster (3 vehicles 2 rescue equipment)	5	5	5		1	3

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.4 To provide effective and efficient fire and disaster management services	Number of lifeguards trained	15	15	25		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	Number of vehicles procured	3	3	8		-	2
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	Number of stray animals impounded	120	120	168		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.5 To provide effective and efficient safety and security services	% expenditure of budget on procurement of safety equipment	100%	100%	100%		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	% completion of coastal management plan	50%	50%	100%		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	% completion in the development of a climate change strategy	25%	25%	0	Draft Terms of Reference developed for appointment of Environmental Specialists to finalise a Climate Strategy has been put on hold due to the movement of funds for Covid 19 pandemic Funds have been moved for COVID=19 Pandemic	-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of climate change projects implemented in	1	1	1		-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
				collaboration with German Partners						
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of environmental awareness campaigns conducted	4	4	4		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.2 To ensure that visitors and residents have a safe and healthy environment	Number of premises subjected to environmental health inspections	940	940				
Community Services	Dir Com Serv	Infrastructure And Basic Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of progress reports submitted to Portfolio Committee on rehabilitation of St Francis Spit and Oyster Bay dunes	4	4	6		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of trees planted	200	200	625		-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.6 To ensure clean and safe environment that is well maintained and managed	Number of meetings of the Environmental Management Forum	4	4	5		-	-

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	Number of Integrated Waste Management Strategies reviewed by 30 June 2020	1	1	0	Draft Provincial IWMP and EC Recycling Strategy workshop with Council could not take place due to Covid-19. The Recycling strategy reviewed by the Department of Environmental Affairs. Provincial department will advise when it will be filtered down to Municipality for review and comments.	-	-
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	% capital budget expenditure on Waste Management projects	100%	100%	88%		-	100%
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	% expenditure of solid waste infrastructure repairs and maintenance budget	100%	100%	100%		-	100%
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	% of formal households within the urban edge provided with refuse removal services once a week	100%	100%	100%		100%	100%
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding solid waste management assigned to the municipality	% increase in refuse removal coverage of informal areas	10%	10%	100%	100% of informal settlements within the urban edge is serviced with refuse removal services	-	-
Community	Dir Com	Infrastructure	SOD 4.1 To coordinate all functions/ powers	% of commercial Enterprises within	100%	100%	100%		100%	100%

DIRECTORATE			COMMUNITY SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Services	Serv	And Basic Service Delivery	regarding sold waste management assigned to the municipality	the urban Edge provided with refuse removal services 3 times per week						
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	Number of wheelie bins provided to residents	4 240	4 240	16 280		-	13 366
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of Clinics within the Urban edge provided with refuse removal services	100%	100%	100%		100%	100%
Community Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.1 To coordinate all functions/ powers regarding sold waste management assigned to the municipality	% of Schools within the urban edge provided with refuse removal services	100%	100%	100%		100%	100%
105BCommunity Services	Dir Com Serv	Infrastructure and Service Delivery	SOD 4.2 To ensure that visitors and residents have a safe and healthy environment	Number of waters samples submitted for bacteriological and chemical analysis	420 B 140 C	420 B 140 C	444B 213 C		420 B 140 C	420 B 140 C

CORPORATE SERVICES: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
DIRECTORATE CORPORATE SERVICES					
Library upgrade Corporate Services	Dir Corp	CP56	Item submitted to BSC 27/9/19	BSC 31/8/2019 Tender evaluation report submitted 24/10/2019	Fully complied with all submission dates, Bulk Filer installed incorrectly as at 30 April 2020, supplier to commence with corrections after lockdown
			Leading Department Tender evaluation report submitted 29/11/2019		
Buildings	Dir Corp	CP30	Item submitted to BSC 2/10/2019	BSC 19/12/2019 Various Tender evaluation reports submitted	This item provides for a large variety of goods and services to be procured and includes repairs to buildings, replacement of flooring, painting, blinds, burglar proofing, cupboards, air conditioning, minor building works etc. Target submission dates have been complied with. Supply Chain Policy requires review to allow for geographical preferencing in the acquisition of goods and services in support of Local Economic Development goals.
			Leading Department Tender evaluation report submitted 19/12/2019		
EDMS	Dir Corp	PC201	Item submitted to BSC 26/07/2019	BSC Not submitted Tender evaluation report submitted Not submitted, acquisition through Section 36 deviation	The acquisition of the EDMS was put on hold at institutional level awaiting the outcome of the possible acquisition and implementation of the SAP ERP system. This had as a result that submission dates to bid committees could not be complied with. By 31 December 2019, no progress was made with the acquisition of SAP and the EDMS was acquired through a Section 36 deviation.
			Leading Department Tender evaluation report submitted 31/10/2019		
Biometric system	Dir Corp	PC2001	Item submitted to BSC 29/03/2019	BSC - Tender evaluation report submitted 15/07/2019	Tender Specifications was submitted to BSC prior to the commencement of the financial year. The Departmental Tender Report was submitted to BEC by 15 July 2020.
			Leading Department Tender evaluation report submitted 15/07/2019		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
DIRECTORATE CORPORATE SERVICES					
					It must be noted that BEC failed to meet on a number of occasions which delayed the acquisition of the Biometric System.
Document Imaging and Storing	Dir Corp	OP1	Item submitted to BSC 27/9/19	Service provider appointed by 31 August 2019	Service provider appointed by 31 August 2019 all targets exceeded
			Leading Department Tender evaluation report submitted 29/11/2019		
EAP	Dir Corp	OP206	Leading Department Tender evaluation report submitted 31/07/2019	Service provider appointed by 31 July 2019 all targets exceeded	
Medical Surveillance	Dir Corp	OP1	Leading Department Tender evaluation report submitted 31/08/2019	Tender evaluation report submitted 31/07/2019	BEC submission made by 31 July 2019 and Service Provider was appointed by 31 August 2019. All submission dates complied with.
Cleaning Services	Dir Corp	OP1	Leading Department Tender evaluation report submitted 30/07/2019	Tender evaluation report submitted 30/07/2019	

CORPORATE SERVICES: SDBIP IMPLEMENTATION

DIRECTORATE			CORPORATE SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of Organogram reviews by 30 June 2020	1	1	1		1	1
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Vacancy rate for approved Budgeted posts	2.7%	2.7%	1.01%		-	-
Corporate Service	Dir Corp	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	% Staff cost compared to Operational Budget	35%	35%	32.12%		35%	35%
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and	Number of new appointments as per Equity plan	AF 2 AM 2	AF 2 AM 2	(6 AM) (3 AF)		-	-

DIRECTORATE			CORPORATE SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Employed in 3 highest categories of employment			(2 IM)			
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of Employment Equity reports submitted to the Dept Labour by 15 February 2020	1	1	1		1	1
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	% expenditure of Skills Dev Budget	100%	100%	95%		-	-
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the	Number of Work Place Skills Plans submitted to LGSETA by 30 April 2020	1	1	1	. It must be noted that due to the National Lockdown, the submission of the WSP has been extended to 30 May 2020 and that the WSP was submitted during the extended period.	1	1

DIRECTORATE			CORPORATE SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			municipality's human capital							
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of OHS Forum meetings held	4	4	4	No meetings possible due to COVID19 Lockdown as at 30 April 2020. The target of 4 meetings per Annum has been met. With the advent of Covid-19 a number of Covid-19 meetings were held.	4	4
Corporate Services	Dir Corp	Institutional Development and Transformation	SOD 5/1 To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital	Number of OHS Risk Assessments completed by 30 June 2020	1	1	1		-	-
Corporate Services	Dir Corp	Good Governance and public Participation	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	% reduction in printing cost of agendas against budgeted amount	10%	10%	10.97%		-	-
Corporate Services	Dir Corp	Good Governance and public Participation	SOD 5.2 To provide professional, effective and efficient administrative support	Number of documents imaged and stored off-site	250 000	250 000	3 193 332		-	-

DIRECTORATE			CORPORATE SERVICE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			to Council and Administration							
Corporate Services	Dir Corp	Good Governance public Participation	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	% completion of library conversion	100%	100%	100%		-	-
Corporate Services	Dir Corp	Good Governance public Participation	SOD 5.2 To provide professional, effective and efficient administrative support to Council and Administration	Amount reduction in Telkom Bill against budgeted amount	R60 000	R60 000	R696 055		-	-

DIRECTORATE FINANCE: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Filing system (SCM)	CFO	CP54	Item submitted to BSC 17/07/2019	BSC – 14/08/2019 Tender evaluation report submitted = 0	Tender awarded 18 March 2020
			Leading Department Tender evaluation report submitted 30/10/2019		
Shelving (SCM)	CFO	CP54	Item submitted to BSC 29/03/2019	None	Funds utilized for other assets
			Leading Department Tender evaluation report submitted 15/07/2019		
Containers (SCM)	CFO	CP096	Item submitted to BSC 23/07/2019	BSC – 06/09/2019 Tender evaluation report submitted 31/10/2019	Specifications served at BSC on 6 September 2019. Tender closed 10 Oct 2019- advertised as RFQ- awarded- 31 Oct 2019- refer Notice 185/2019 and Awarded.
			Leading Department Tender evaluation report submitted 24/10/2019		
WIFI Solution	CFO	PC019	Item submitted to BSC 30/08/2019	BSC – Not reported Tender evaluation report submitted - Not reported	Tender closed on 28 Oct 2019, Tender awarded 3 March 2020- refer Notice 186/2020
			Leading Department Tender evaluation report submitted 15/12/2019		
End User Endpoint Software	CFO	CP075	Item submitted to BSC 30/08/2019	BSC – Not reported Tender evaluation report submitted Not reported	Tender closed 30 Sept 2019, Tender awarded 10 Feb 2020
			Leading Department Tender evaluation report submitted 15/11/2019		
Vehicle	CFO	CP21	Leading Department Tender evaluation report submitted 17/07/2019	Tender evaluation report submitted Not reported	Tender closed 1 July 2019, Tender Awarded 14 Nov 2019- refer notice 81/2019
Street Light Poles	CFO	OP1	Leading Department Tender evaluation report submitted 30/07/2019	Tender evaluation report submitted Not reported	Awarded at BAC on 19 Sept 2019 3year contract as and when required
Air conditioners	CFO	OP1	Leading Department Tender evaluation report submitted 21/07/2019	Tender evaluation report submitted 21/07/2019	Awarded at BAC on 26 July 2019 3year contract as and when required

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Polythene Refuse Bags	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
			Leading Department Tender evaluation report submitted 19/03/2020		
Tyres and tubes	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
			Leading Department Tender evaluation report submitted 19/03/2020		
Protective Clothing 2P overalls	CFO	OP1	Item submitted to BSC 1/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		
Valves and Pipes	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 25 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
			Leading Department Tender evaluation report submitted 19/03/2020		
Disinfectant Dip	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020 Dates Revised due to Pandemic and Operational Requirements
			Leading Department Tender evaluation report submitted 19/03/2020		
Road Marking Paint	CFO	OP1	Item submitted to BSC 08/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 Feb 2020- Closing 19 March 2020- Refer Notice 1 of 2020, Tender evaluation report delayed due to Covid-19 closure
			Leading Department Tender evaluation report submitted 19/03/2020		
Stationary	CFO	OP1	Item submitted to BSC 05/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Water Meters	CFO	OP1	Item submitted to BSC 15/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 14 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2019		
Consumables	CFO	OP1	Item submitted to BSC 15/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender will only be advertised in 2020 due to closure of businesses Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closing 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		
Oil and grease	CFO	OP1	Item submitted to BSC 22/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 12/03/2020		
Water Fittings	CFO	OP1	Item submitted to BSC 22/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Tender advertised 12 March 2020 initial closing date was 14 April 2020- refer 34/202 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 12/03/2020		
Protective Clothing-General/Safety Gear	CFO	OP1	Item submitted to BSC 22/11/2019	Submission dates for BSC and Tender evaluation report not achieved	Awaiting feedback from Occupational Health Section Tender advertised 12 March 2020 initial closing date was 21 April 2020- refer 34/2020 Tender Closed 4 June 2020
			Leading Department Tender evaluation report submitted 19/03/2020		

DIRECTORATE FINANCE: SDBIP IMPLEMENTATION

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	% compliance with National Treasury reporting calendar	100%	100%	100%		100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of Annual Financial Statements submitted to the AG by 30 August 2020	1	1	1		1	1
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of draft budgets submitted by 31 March 2020	1	1	1	Submitted 26 March 2020, Revised Draft Budget submitted 5 June 2020 due to changes required as a result of Covid-19	1	1

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of final budgets submitted to Council for approval by 31 May 2020	1	1	1	Budget submitted on 26 June 2020. The delay was due to the Covid-19 pandemic. Council met every 7 days in June 2020 and approved the budget on 26 June 2020. Complied with Local Government Circular C4 of 2020.	1	1
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of draft adjustment budgets submitted to the MM and Portfolio Councilor by 15 December 2019	1	1	1		-	-
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and reporting processes to ensure legislative compliance	Number of Budget Monitoring Committee Meetings	10	10	4	No Budget Monitoring Committee Meetings held. There were however a number of meetings held to discuss the current budget and the reduction thereof due to the COVID-19 pandemic. The budget was being monitored continuously to ensure that non-priority projects were put on hold due to the anticipated drop in the collection rate.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.1 To manage and control the implementation of budget policies, systems and procedures, statements and	Liquidity Ratio	1:1	1:1	1.32:1		-	1:1

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			reporting processes to ensure legislative compliance							
Finance	CFO	Financial Viability and Management	SD6.1 Ensure compliant Budgeting and reporting	Number of un-qualified audit opinions by the AG	1	1	1		1	1
Finance	CFO	Financial Viability and Management	SOD 6.2 To administer the recording, authorization, executing and reporting of expenditure transactions	% of creditors paid within 30 Days of receipt of Invoice	100%	100%	97%	Where creditors are not paid within 30 days, detailed reasons are provided are mainly attributed to queries on invoices.	100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	% revenue collection rate between revenue raised and revenue collected	96%	96%	95.42%	95.42% - this collection rate was exceptional under the COVID-19 circumstances.	94%	94%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of VAT Recovery service providers appointed by 30 September 2019	1	1	0	Service provider appointed January 2020	-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to	Number of Debt Collection Service Providers appointed by 30 October 2019	1	1	0	No appointment made	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Management	ensure sound revenue management practices and compliance							
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of handovers to Debt Collector of debt exceeding 90 days	6	6	0		-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Debt Collection Meetings	4	4	12	12 meetings, No debt Collection Meetings in Q 4 due to COVID-19.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Revenue Enhancement Strategy Meetings	6	6	1	1 meeting in Q1, No meetings held in Q4 due to COVID-19. A number of meetings was however held to strategise on how to manage the cashflow / financial sustainability during this period.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Revenue Collection Monitoring Meetings	8	8	3	1 Meeting in Q1, 2 meetings held in Q4 where the collection rate was discussed for April and May 2020.	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	% of indigent residents as per Indigent register with access to free basic services	100%	100%	100%		100%	100%
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Indigent Registration Drives	1	1	1		-	1
Finance	CFO	Financial Viability and Management	SOD 6.3 To implement and maintain revenue policies and credit control procedures to ensure sound revenue management practices and compliance	Number of Indigent Steering Committee Meetings	4	4	1	1 Meeting in Q1, No Indigent Steering Committee Meetings held in Q4 due to COVID-19	-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	1 st Phase implementation of ERP Solution project by 30 June 2020	1	1	0	Implementation of ERP Solution Project did not continue. However, the 1 st phase of development of various Modules on the SAMRAS System commenced (SCM, Payroll, Leave, Organogram, Contract Management)	-	-
Finance	CFO	Financial	SOD 6.4 To plan, coordinate and render ICT services to the	Number of ERP Project Managers	1	1	0	No longer required as the ERP Project did not continue	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Viability and Management	municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	appointed by 30 September 2019						
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	% Up-Time of the ICT System	98%	98%	98%		-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Number of ICT Steering Committee Meetings	6	6	3	3 Meetings held in Q1, No meetings held in Q4 due to COVID-19	-	-
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	% of ICT Policies reviewed by 30 November 2019	100%	100%	0		-	-
Finance	CFO	Financial	SOD 6.4 To plan, coordinate and render ICT services to the	Number of ICT reports submitted to	6	6	4	3 ICT reports submitted for Q1, Q2 and Q3 not reported, Q4 1 ICT report submitted	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Viability and Management	municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Finance Portfolio Committee						
Finance	CFO	Financial Viability and Management	SOD 6.4 To plan, coordinate and render ICT services to the municipality to ensure efficient operations and support services in terms of the ICT Strategy and Policy	Number of ICT Software application and cost reports submitted to the Finance Portfolio Committee	6	6	3	Q1 = 3 Reports submitted, No reports submitted for Q2, Q	-	-
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	% compliance with Procurement Plan	90%	90%	75%		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	% Capital Budget Expenditure	95%	95%	75.3%	75.3% expenditure was achieved. The Capital Budget was reviewed to identify projects to be placed on hold due to the cash flow management process under the COVID-19 circumstances. The lockdown has also resulted in Service Providers not being able to operate for almost 2 months towards the end of the financial year. The Finance Department achieved 75.5% expenditure – a major part of the under-expenditure was due to savings achieved upon implementation.	100%	95%

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of days for the processing of requisitions	5	5	Not achieved	Turnaround time at SCM slow due to lack of resources	-	-
Finance	CFO	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of working days for the evaluation of 7 day notices	7	7	7		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of days for the preparation of tender reports by leading departments from closing date of tender	30	30	30		-	-
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition,	Number of days for the adjudication of tender from closing date	100	100	120	Q1 and Q2 = 80 days for adjudication of tender from closing date, Q3 not reported, Q4 = Bids were extended due to COVID-19. Most Tenders had a 120 day validity period due to extensions requested	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			logistics and disposal management							
Finance	All Directors	Financial Viability and Management	SOD 6.5 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, logistics and disposal management	Number of meetings on the implementation of the procurement plan	6	6	5	Q1 = 2 Meetings on implementation of procurement plan, Q2 and Q3 = The implementation of the procurement plan is discussed at Top Management Meetings. 2 Meetings, Q4 = No meetings held due to COVID-19. 5 Meetings held for the year.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.6 To manage supply chain management services to ensure proper systems, policies and procedures and control for demand, acquisition, assets and disposal management	Number of reports submitted on dysfunctional and redundant movable assets to be disposed of submitted to Council by 31 August 2019	1	1	0		-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of Municipal land audits conducted by 31 December 2019	1	1	0	Audit on leases was performed and assessment completed.	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of municipal land registers completed by 31 December 2019	1	1	1		-	-
Finance	CFO	Financial Viability and	SOD 6.7 To administer assets management and lease registers	Number of meetings of the Land Advisory Committee	6	6	2	Q1 = ,1 Meeting of Land Advisory Committee, Q4 = 1 Meeting of Land Advisory Committee	-	-

DIRECTORATE			FINANCE		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Management								
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of service providers appointed for the insurance of municipal assets by 30 October 2019	1	1	0	No appointment made, Contract extended until 30 October 2020	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Number of reports on insurance claims submitted to Finance Portfolio Committee (Bi-Monthly reports)	6	6	1	1 report submitted in Q4	--	
Finance	CFO	Financial Viability Management	SOD 6.7 To administer assets management and lease registers	% of insurance claims finalized within 90 days of incident	100%	100%	80%	Q1 = 80% claims finalized within 90 days, Q4 = None noted on the insurance claims report	-	-
Finance	CFO	Financial Viability and Management	SOD 6.7 To administer assets management and lease registers	Update and validate all municipal lease agreements by 31 December 2019	1	1	0	Based on land assessment, there are a number of leases that are expired.	-	-

DIRECTORATE INFRASTRUCTURE AND ENGINEERING: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Machinery and Equipment	Dir I&E	PC1002	Item submitted to BSC 10/01/2020	BSC – 10/01/2020 Tender evaluation report submitted 20/03/2020	
			Leading Department Tender evaluation report submitted 20/03/2020		
Vehicles	Dir I&E	CP21	Item submitted to BSC 28/06/2020	BSC – 25/01/2019 Tender evaluation report submitted 27/06/2020	
			Leading Department Tender evaluation report submitted 11/10/2020		
Energy and Demand Side Management	Dir I&E	PC1002	Item submitted to BSC 14/08/2019	BSC – 02/08/2020 Tender evaluation report submitted 23/10/2020	
			Leading Department Tender evaluation report submitted 17/10/2019		
New overhead lines 66kv overheadlines(Jbay to Melk)	Dir I&E	PC1008	Item submitted to BSC 25/10/2019	BSC – 24/01/2020 Tender evaluation report submitted 13/03/2020	Tender documents had to be adjusted to comply with Eskom's new specifications. Site meetings was held on the 08/10/19 between Kouga and Eskom to clarify issues on site. Eskom required new structure designs and height measurements. Document to be ready by 25/10/19 Approval on specifications from ESKOM received January 2020, BSC 24 January 2020 and tender advertised 31 January 2020 (R1 800 000 budget) Tender was held up by Eskom due to special permission and to go ahead with the project. Permission was granted in January and the tender immediately served at BSC and advertised 31st January 2020. Evaluation report compiled and sent to BEC to serve on the 13th March 2020. no meeting has taken place to table the report. The contractor was appointed on the 12 June 2020, construction started at the end of June due to the delay of the lockdown period the project was delayed. An application for a roll over to be submitted in order to spend the 100% project budget.
			Leading Department Tender evaluation report submitted 23/03/2020		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Upgrading of the Sea Vista Wastewater Treatment Works	Dir I&E	PC608	100% budget expenditure on the works for the year	100% expenditure	
Upgrading of Gravel Roads in Jeffreys Bay	Dir I&E	PC075	Item submitted to BSC 03/09/2019	BSC – 31/01/2020 Tender evaluation report submitted 20/07/2020	Project submitted to COGTA for approval 13 November 2019 BSC submission 31/1/20 as COGTA approval was awaited, BEC submission 20/7/20
			Leading Department Tender evaluation report submitted 13/01/2020		
Patensie Sewage Package Plant	Dir I&E	PC011	90% budget expenditure for the project	R5,483386.74 expenditure as at end June 2020, 98% expenditure	
Upgrade Sanitation System Old Hankey	Dir I&E	PC012	Item submitted to BSC 15/01/2020	BSC – 15/01/2020 Tender evaluation report submitted 30/03/2020	
			Leading Department Tender evaluation report submitted 30/03/2020		
LV Networks (Informal Areas, Electrification/illegal)	Dir I&E		Item submitted to BSC 25/07/2019	BSC – 06/09/2019 Tender evaluation report submitted 31/01/2020	Tender advertised, closed 24/10/2019 Tender served at BEC 31 January 2020, supply and delivery of materials
			Leading Department Tender evaluation report submitted 06/09/2019		
Pump Station Capital	Dir I&E	CP37	Item submitted to BSC 17/10/2019	No reports submitted	Budget R750 000, Amended budget R67 892 actual expenditure R108 408.65, Budget revised with adjustment budget processes, procurement on quotation bai
			Leading Department Tender evaluation report submitted 13/01/2020		
Security Camera	Dir I&E	PCA002	Item submitted to BSC 19/07/2019	Budget reprioritized, targets not met	Budget reprioritized, targets not met
			Leading Department Tender evaluation report submitted 30/09/2019		
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Dir I&E	PC506	Item submitted to BSC 20/01/2020	BSC – 16/11/2018 Tender evaluation report submitted 16/05/2019	Orders No 109682 issued 17/09/2019 for fencing of Hankey WWTW Order No 109681 issued 17/09/2019 for fencing Jeffreys Bay Reservoir Fencing of Jeffreys Bay Reservoir and installation of gates complete. Payment made to service provider on 17/12/2019 Tender Notice 11/2019 was approved by BAC on 12/9/2019 Target met
			Leading Department Tender evaluation report submitted 23/03/2020		

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Roads Capital	Dir I&E		Item submitted to BSC 26/07/2019	BSC – 31/05/2019 Tender evaluation report submitted 02/10/2019	
			Leading Department Tender evaluation report submitted 03/10/2019		
Bucket Eradication Programme	Dir I&E	PC1015	Item submitted to BSC 06/03/2020	BSC – 01/03/2019 Tender evaluation report submitted 06/06/2019	
			Leading Department Tender evaluation report submitted 29/05/2020		
St Francis bulk main outfall sewer	Dir I&E	PC014	Item submitted to BSC 17/10/2019	Targets not met	Liaise with Dept Environmental Affairs for authorization for new route as planned route runs through wetlands 25% expenditure (R500 000) Budget
			Leading Department Tender evaluation report submitted 13/12/2019		
Sewer REPLACE OLD PUMPS	Dir I&E	PC015	Item submitted to BSC 20/09/2019	Targets not met	Target not met, budget reprioritized
			Leading Department Tender evaluation report submitted 13/12/2019		
Electrical replacement of old and dangerous switch gear Saffery Sub station Humansdorp	Dir I&E	PC004	Item submitted to BSC 15/11/2019	Tender cancelled	Tender cancelled due to specialist expertise required. Money was transferred to the augment the budget on other tenders like the High mast, PPE and vehicles.
			Leading Department Tender evaluation report submitted 18/01/2020		
Electrical Replacement of old mv cables to main substation Humansdorp	Dir I&E	PC005	Item submitted to BSC 18/10/2019	BSC – 03/01/2020 Tender evaluation report submitted 13/03/2020	BSC 28/2/2020 Report to SCM 13/3/2020, Appointment made
			Leading Department Tender evaluation report submitted 21/11/2019		
Electrical Supply auto recloser St Francis Bay	Dir I&E	PC007	Item submitted to BSC 31/10/2019	BSC – 03/01/2020 Tender evaluation report submitted 13/03/2020	
			Leading Department Tender evaluation report submitted 24/01/2020		
Electrical Mini sub station 22 000/11000/400 St Francis Bay	Dir I&E	PC008	Item submitted to BSC 27/07/2019	BSC – 01/11/2019 Tender evaluation report submitted 17/11/2019	Minisubstation delivered in June 2020 100% expenditure, factory delays due to lockdown period.

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
			Leading Department Tender evaluation report submitted 18/10/2019		
Electrical 5 MV 22000/11000 transformer	Dir I&E	PC009	Item submitted to BSC 29/11/2019	BSC – 31/01/2020 Tender evaluation report submitted 10/03/2020	BSC 31/1/20 BEC 10/3/2020 Appointment letter issued in 07 May 2020, manufacturing time 12 weeks, delivery expected Middle August 2020.
			Leading Department Tender evaluation report submitted 13/03/2020		
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Dir I&E	PC0010	Item submitted to BSC 01/11/2019	BSC – 07/02/2020 Tender evaluation report submitted 19/05/2020	Scheduled for submission to BSC on 7 February 2020 Submit oil circuit breaker tender report to BEC BY 24 January 2020 and 35% expenditure Tender closed on the 13 March 2020, evaluation currently done for award the supply and delivery vacuum circuit breaker. BAC awarded on the 25 th June 2020, procurement to take place upon availability of funding.
			Leading Department Tender evaluation report submitted 19/12/2019		
Purchase storage containers (3)	Dir I&E	CP096	Item submitted to BSC 10/01/2020	BSC – 07/01/2020 Tender evaluation report submitted 01/03/2020	Specifications prepared for submission to BSC on 7/1/20 7-day tender Tender report to SCM 1/3/2020
			Leading Department Tender evaluation report submitted 01/03/2020		
KwaNomzamo Wastewater Treatment Works	Dir I&E	PC010	Item submitted to BSC 13/10/2019	BSC – 25/10/2019 Tender evaluation report submitted 11/01/2020	Conditional assessment of existing works undertaken and report received 13/09/2019. Draft tender document received 8 Oct 2019. Discussion re tender document between KM and Prof Service provider held on 10 Oct 2019. Tender document envisage to BSC 18 Oct 2019. Tender advertised under notice number 222/2019 on 1 November 2019. Compulsory clarification meeting held on 18 November 2019. Tender closed on 13 December 2019 Tender report submitted to BEC 24 January 2020
			Leading Department Tender evaluation report submitted 24/01/2020		
Humansdorp, Kruisfontein and Ocean View Electrification	Dir I&E	PC003	Item submitted to BSC 16/08/2019	BSC – 09/08/2019 Tender evaluation report submitted 17/10/2019	BSC 9/8/2019 BEC 17/10/2019
			Leading Department Tender evaluation report submitted 19/10/2019		
High Mast Lights	Dir I&E	CP1999	Item submitted to BSC 20/09/2019	BSC – 23/08/2019	BSC 23/8/2019 Served at BEC on 30/1/20

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
			Leading Department Tender evaluation report submitted 05/11/2019	Tender evaluation report submitted No quorum on 7/01/2020	Highmast appointment letter signed by MM on the 12 th June 2020, but the work could not be done due to money taken away with adjustment budget.

DIRECTORATE INFRASTRUCTURE AND ENGINEERING: SDBIP IMPLEMENTATION

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% households in formal residential areas with Access to potable Water	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of informal households within the urban edge with access to water within 200m	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of Clinics within the Urban edge have access to water	100%	100%	100%		100%	100%
Infrastructure	Director	Infrastructure and Basic	SOD2.1 To manage the rendering of water services and to provide	% of Schools within the Urban edge	100%	100%	100%		100%	100%

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
& Engineering	I&E	Service Delivery	bulk and potable water and sanitation services to the community	with access to water						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	Number of Water demand/ conservation management loss reduction programs completed by 31 October 2019	1	1	1			
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% water losses	35%	35%	51.66%		35%	32%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% capital Expenditure on Water Infrastructure Projects	100%	100%	73%	Budget R4 495 468.00 Expenditure R3 261 207.13 = 72.5% expenditure	95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% Expenditure of water supply infrastructure repairs and maintenance budget	100%	100%	79%			
Infrastructure	Director	Infrastructure and Basic	SOD2.1 To manage the rendering of water services and to provide	Number of Buckets sanitation converted from	1500	1500	0	Purchased 10 prefabricated ablution facilities to replace buckets in informal areas. Installation of	-	-

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
& Engineering	I&E	Service Delivery	bulk and potable water and sanitation services to the community	Bucket sanitation to a more acceptable level of sanitation (Stofwolk, Thornhill, Sea Vista, Ocean View, Kwanomzamo				prefabricated ablution facilities scheduled for the 2020/21 year.		
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of households in formal residential areas with access to Sanitation Services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of Clinics within the Urban edge with access to Sanitation services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% of schools within the Urban edge with access to Sanitation services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water	% capital Budget Expenditure on Internally funded Sanitation capital Projects	100%	100%	163%			

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			and sanitation services to the community							
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD2.1 To manage the rendering of water services and to provide bulk and potable water and sanitation services to the community	% expenditure of sanitation infrastructure repairs and maintenance budget	100%	100%	94%			
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% electricity losses	17%	17%	22.50%	Declined by 1.6% from previous year	18%	12%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% formal Residential Households Serviced by Kouga have access to Electrical services	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% of clinics within the urban edge have access to electricity	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% of schools within the urban edge have access to electricity	100%	100%	100%		100%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic	SD 2.2 To manage the provisioning of electrical services	% Capital Budget Expenditure on Internally funded Electrical	100%	100%	41%		100%	95%

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
		Service Delivery		Infrastructure projects						
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% expenditure on DOE grant	100%	100%	99%		95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SD 2.2 To manage the provisioning of electrical services	% expenditure of electrical infrastructure repairs and maintenance budget	100%	100%	76.74%		95%	100%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	Number of roads master plans developed by 30 June 2020	1	1	1	Maintenance Plan for Kouga Municipal Roads Network included in RAMS	1	1
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% Capital budget expenditure for the construction of roads	100%	100%	57.84%			
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% Planned road construction completed	100%	100%	0	Budget R1 500 000, expenditure R249 082.89 = 16.6%. EIA in progress.	-	-
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% of households within the urban Edge with access to gravel or graded roads	100%	100%	100%		100%	100%

DIRECTORATE			INFRASTRUCTURE AND ENGINEERING		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% reduction in Road Infrastructure requiring upgrade	1%	1%	2%		New	1%
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% expenditure of roads infrastructure repairs and maintenance budget	90%	90%	95.89%	Budget R24 983 000 Expenditure R24 113 338 = 96.5%	New	-
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.3 To Manage the construction, repair and maintenance of roads and storm water systems	% expenditure of storm water infrastructure repairs and maintenance budget	90%	90%	79.99%			
Infrastructure & Engineering	Director I&E	Infrastructure and Basic Service Delivery	SOD 2.4 To manage the coordination and implementation of project management processes with regard to engineering projects (MIG)	% MIG expenditure	100%	100%	67%	Budget R37 9996 000 Expenditure R25 490 005.58 = 67% expenditure Roll over application submitted	100%	100%

DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: PROCUREMENT PLAN IMPLEMENTATION

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
Furniture and equipment	Dir PDT CP54		Item submitted to BSC 16/07/2019	BSC – 16/07/2019 Tender evaluation report submitted 20/08/2019	
			Leading Department Tender evaluation report submitted 15/09/2019		
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	CP31		Item submitted to BSC	Project moved to Infrastructure and Engineering	Project moved to Infrastructure and Engineering with the adjustments budget.
			Leading Department Tender evaluation report submitted		
LAND ACQUISITION: PURCHASE OF LAND FOR HUMAN SETTLEMENTS WARD 6 & 7.	CP31		Completion of acquisition by 30 June 2020	Acquisitions and transfers completed in full	
			Leading Department Tender evaluation report submitted 15/07/2019		
Precinct Plans, JB, HD, SFB	Dir PDT	OP1	Item submitted to BSC 20/09/2019	BSC – 25/10/2019 Tender evaluation report submitted 22/03/2020	At the onset of the financial year there were no funding available for this project and funding was only made available after August 2019 through special item to Council. THE TENDER WAS AWARDED AND PSC ESTABLISHED FOR JB PRECINCT PLAN.
			Leading Department Tender evaluation report submitted 08/01/2020		
Professional Service Panel	Dir PDT	OP207	Item submitted to BSC 20/09/2019	BSC – 20/09/2019 Tender evaluation report not submitted	Adjusted Budget, no budget allocation for expenditure on this project. THE PROJECT WILL BE COMPLETED IN 20/21 DUE TO COVID-19
			Leading Department Tender evaluation report submitted 08/01/2020		
Land Audit	Dir PDT	OP1	Item submitted to BSC 11/07/2019	Not submitted, budget reallocated withy adjustments budget.	. The Budget for this project adjusted to R0 due to COVID-19. The project will be implemented in 20/21 FY.
			Leading Department Tender evaluation report submitted 27/09/2019		
ILUS (Land Use Scheme)	Dir PDT	PO705	Item submitted to BSC 16/07/2019	BSC – 27/09/2019 Tender evaluation report submission date not reported but target not met	The project was affected by covid 19 lockdown restrictions and final report is approved by council and gazetted for public participation.
			Leading Department Tender evaluation report submitted 05/09/2019		
APPOINT SERVICE PROVIDER FOR REVIEW OF HUMAN	Dir PDT	PO705	Item submitted to BSC 16/07/2019	BSC – 18/10/2019 Tender evaluation report submitted 13/12/2019	Service provider was appointed

Capital Budget Item	Program Driver	Project Number	Annual Target	Actual Achievement	Comment and Corrective Action
SETTLEMENTS SECTOR PLAN BY 30 JUNE 2020.					
			Leading Department Tender evaluation report submitted 19/09/2019		
REVIEW LED STRATEGY BY 30 JUNE 2020	Dir PDT	PO705	Item submitted to BSC 16/07/2019	Appointment of service provider finalized before due dates for submission to BEC and Tender evaluation report due date	
			Leading Department Tender evaluation report submitted 19/09/2019		

DIRECTORATE PLANNING, DEVELOPMENT AND TOURISM: SDBIP IMPLEMENTATION

DIRECTORATE			PLANNING DEVELOPMENT AND TOURISM		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning, surveying, valuations and building control services	% of building plans finalized within 30 days of submission of a compliant plan	100%	100%	100%		100%	100%
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning, surveying, valuations and building control services	% of land use applications finalized within 60 days of a compliant submission	100%	100%	100%	The Municipal Planning Tribunal considered land use applications submitted through virtual meetings . Timeframes were observed.	100%	100%
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.1 To manage the rendering of spatial and land use planning,	No. Informal Settlements	1	1	3	The following Informal Settlements were formalised: 1. Donkerhoek 200 2. No. R10	New	1

DIRECTORATE			PLANNING DEVELOPMENT AND TOURISM		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			surveying, valuations and building control services	Formalized by 30 June 2020				2. Stofwolk 343		
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.2 To manage the funding, administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community	Number of housing audits completed by 30 June 2020	1	1	4	The following housing Audits were done: 1. Stofwolk = 343 2. Donkerhoek = 200 3. Oceanview = 576 3. No. R10 = 195	-	1
Planning and Development	Director P,D&T	Infrastructure and Basic Service Delivery	SOD 3.2 To manage the funding, administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community	Number of service providers appointed by 30 June 2020 for the review of the Human Settlement Plan	1	1	1		-	-
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of LED Strategies reviewed by 30 June 2020	1	1	1		-	1
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic	Number of LED Forum meetings	4	4	4		4	4

DIRECTORATE			PLANNING DEVELOPMENT AND TOURISM		2019/2020 Targets				Baseline	
Department/ Directorate	Program Driver	Key Performance Area	IDP Objective	Key Performance Indicator	Annual Target	Revised Target	Actual Achievement	Comment and Corrective Actions	30 June 2018	30 June 2019
			development and tourism							
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	% expenditure of Budget for LED Programs and Projects	100%	100%	65%	All unspent budget was re-prioritized towards Covid-19 during May 2020.	100%	100%
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of jobs created through capital projects and LED initiatives	550	550	600		736	550
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of jobs Created through PPP	20	20	452		New	20
Planning and Development	Director P,D&T	Local Economic Development	SOD 3.3 To plan and develop a coherent and integrated framework for local economic development and tourism	Number of SMME training programs provided	4	4	4		4	4

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 (2018/19)	2019/20 Achievement	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts			1.6%	1.1%	
2.	Percentage of appointment in strategic positions (Municipal manager and Section 57 Managers)			100%	100%	
3.	Percentage of Section 57 Managers including the Municipal Manager who attended at least 1 skills development training course within the financial year			100% Of planned (3 Employees	100%	
4.	Percentage of Managers in Technical Services with a professional qualification			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, participation by line managers is limited. The PMS system provides useful performance information and allows for timeous intervention where required if the system is utilized on a continuous basis.				
6.	Percentage of staff that have undergone a skills audit (Including competency profiles) within the current 5-year term			100% (269 employees)	89% 858 employees	
7.	Percentage Councillors who attended a skills development training intervention within the current 5-year term	29	29	100%	100% for the term	All Councillors attended training
8.	Percentage of staff compliment with a disability			1.3%	1.4%	
9.	Percentage of female employees			33.08	33.8%	
10.	Percentage of employees that are 35 years of age or younger			29.2%	31%	
11.	Adoption of HRD Plan inclusive of WSP	0	0	100%	100%	HRD Plan and WSP adopted in 2019/20 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%

	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
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 approved 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		

	Indicator Name	Target set for the year	Achievement level for the year (absolute figure)	Achievement percentage during the year
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

	Indicator Name	Target set for the year R (000)	Achievement level for the year R(000)	Achievement percentage during the year
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 held on 21 August 2019, 30 November 2019 and 19 February 2020. No IGR meetings held from Lockdown other than Covid-19 related meetings.		
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 2019/20 year improved substantially from the previous years where performance reporting and performance reviews were largely conducted out of time.

Performance bonuses 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

Performance evaluation of the performance of Senior Managers for the 2018/19 is in process of being finalized by the Performance Evaluation Panel and recommendations by the panel must be submitted to Council for consideration before performance rewards may be paid to qualifying Senior Managers.

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

COMPONENT A: AUDITOR-GENERAL OPINION ON FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORT

6.2 AUDIT ACTION PLAN ON FINDINGS OF THE AUDITOR-GENERAL

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

NAME OF COUNCILLOR	COMMITTEE ALLOCATED	WARD	PARTY	PERCENTAGE.OF COUNCIL MEETINGS ATTENDED	APOLOGIES TENDERED IN WRITING TO THE OFFICE OF THE SPEAKER
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

COPORATE SERVICE PORTFOLIO COMMITTEE

Corporate Services Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Bryan Dhludhlu		Administration
	Faan Louw	Danny Benson	Human Resources
	Aaron Nkomo	Robin Jantjies	Strategic Institutional Projects
	Wilma Coenraad		
	Sibongile Jujwana	Velile Vumazonke	
	Phumza Nkwilase		
Ex-officio	Horatio Hendricks		

PLANNING AND DEVELOPMENT PORTFOLIO COMMITTEE

Planning & Development	Committee Members	Alternate Members	Functions
Chairperson	Ben Rheeder		Human Settlements
	C August	Ludwig Vorster	Town & Regional Planning
	Wilma Coenraad	Brenton Williams	MPT
	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
	Brenton Williams	Ben Rheeder	Creative Industries
	Cynthia August	Robin Jantjies	Crèches
	Faan Louw		Events Committee
	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
	Willem Gertenbach	Wilma Coenraad	Community Amenities & Environmental Health
	Timothy Jantjes	Bryan Dhludhlu	Protection Services
	C August		Beaches
	Timothy Meleni	Zolani Mayoni	Mayoral Special Programmes
	Velile Vumazonke		
Ex-Officio	Horatio Hendricks		

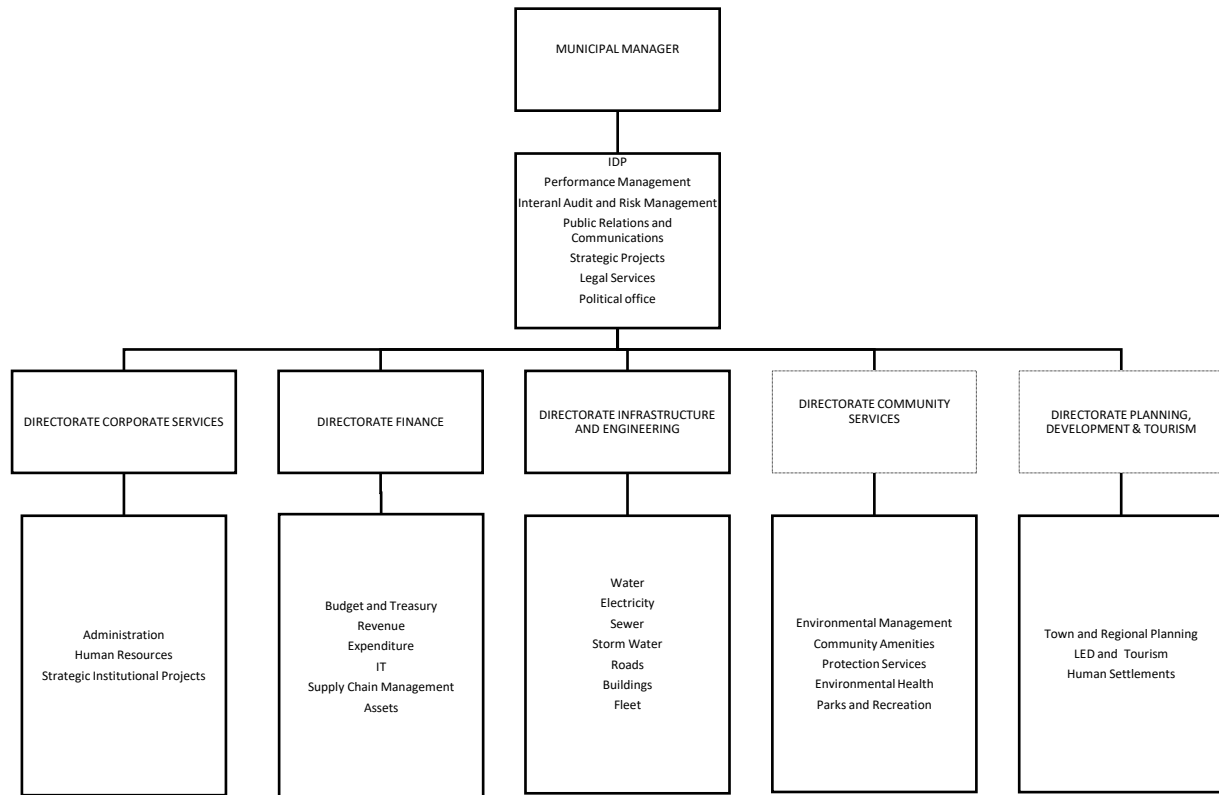
INFRASTRUCTURE AND ENGINEERING PORTFOLIO COMMITTEE

Infrastructure and Engineering Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Freddie Campher		Infrastructure
	Ben Rheeder	Willem Gertenbach	Civil services
	Nico Botha	Frances Baxter	PMU
	Timothy Jantjes		Electrical Services
	Zolani Mayoni	Amos Mabukane	Fleet Management
	Malibongwe Dayimani		
Ex-Officio	Horatio Hendricks		

FINANCE PORTFOLIO COMMITTEE

Finance Portfolio	Committee Members	Alternate Members	Functions
Chairperson	Brenton Williams		Budget & treasury
	Nico Botha	Faan Louw	Revenue
	Willem Gertenbach	Freddy Campher	Expenditure
	Ludwig Vorster		Assets Management
	Malibongwe Dayimani	Chico Februarie	Supply Chain Management
	Virginia Camealio-Benjamin		Information, Communication & Technology
Ex-Officio	Horatio Hendricks		MSCOA

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 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
Cllr Z Mayoni	1	9	12	9	2	11	7	4	10	17	12	0	0	0
Cllr T Meleni	2	8	9	12	5	10	7	0	10	12	3	0	0	0
Cllr W Gertenbach	3	8	10	7	4	9	18	0	8	12	11	0	0	0
Cllr F Campher	4	8	8	5	9	7	4	0	6	3	2	0	0	0
Cllr W Coenraad	5	9	3	7	4	2/29	6	0	8	5	4	0	0	0
Cllr V Vumazonke	6	8	2	3	3	1	5	0	6	4	3	0	0	0
Cllr E Februarie	7	9	2	6	10	8	4	2	7	10	11	0	0	0
Cllr L Vorster	8	8	9	8	10	8	5	0	7	10	10	0	0	0
Cllr S Jujwana	9	8	9	8	10	8	5	0	9	6	4	0	0	0
Cllr A Mabukane	10	8	4	12	3	3	4	0	7	6	3	0	0	0
Cllr	8	8	2	6	3	2	7	0	14	5	5	0	0	0

WARD COUNCILLOR	WARD	WARD COMMITTEE ATTENDED	JULY 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020
H Bornman														
Cllr B Rheeder	12	7	10	7	11	9	13	0	0	12	11	0	0	0
Cllr M Peters	13	9	3	8	4	9	4	4	8	8	4	0	0	0
Cllr S Mandeka	14	8	16	8	11	9	6	0	9	6	5	0	0	0
Cllr H Hendricks	15	8	4	6	5	3	4	0	9	4	9	0	0	

ANNEXURE F: WARD INFORMATION

The following schedule reflects capital projects in Wards:

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

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 2019/20 year:

NAME	POSITION
C du Plessis	Municipal Manager
R Lorgat	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	
	2020	2019
Vote Description	R	R
Executive and Council		
Finance	306 882 094	313 472 301
Corporate Services	585 606	1 222 286
Planning, Development and Tourism	3 490 090	3 444 252
Infrastructure and Engineering	501 814 404	463 212 011
Community Services	133 478 094	98 756 838
Total Revenue by Vote	946 250 288	880 107 688

APPENDIX K (ii): REVENUE BY SOURCE (refer to AFS page 6)

	Actual	
Item Description	2020	2019
	R	R
Revenue by Source		
Property Rates	197 544 136	184 331 308
Fines, Penalties and Forfeits	20 388 284	21 333 783
Licences and Permits	11 066 499	15 792 788
Transfers and Subsidies	261 034 594	216 899 825
Interest, Dividends and Rent on Land Earned – Non-Exchange	1 649 323	1 325 934
Service Charges	420 509 001	413 280 935
Sales of Goods and Rendering of Services	11 110 286	6 171 011
Rental from Fixed Assets	697 437	609 214
Interest, Dividends and Rent on Land Earned – Exchange	18 584 025	18 908 767
Operational Revenue	3 666 703	1 454 124
Total Revenue by Source	946 250 288	880 107 688

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG
(refer to AFS note 25 pages 64 – 65)

Name of Grant	Amount Received	Amount Spent
	R	R
FMG	1 770 000	1 770 000
INEP	4 000 000	3 959 997
Energy Efficiency and Demand Side Management Grant	3 202 000	3 202 000
Disaster Grant	1 192 000	1 192 000
EPWP Incentive Grant	1 000 000	1 000 000
WSIG	10 000 000	569 232
Total	21 164 000	11 693 229

APPENDIX M: CAPITAL EXPENDITURE- NEW & UPGRADE/
RENEWAL PROGRAMMES: INCLUDING MIG 2019/20
(refer to AFS note 25 page 64)

Project Name	Actual Expenditure As at 30 June 2020	Funding Source
Kruisfontein WWTW	3 332 525	MIG
Upgrade of Sport Fields	1 756 297	MIG
Patensie Sewage Package Plant	4 820 918	MIG
Upgrading of the Ses Vista Wastewater Treatment Work	10 820 367	MIG
Upgrading of St Francis Bay WWTW	1 254 119	MIG
Upgrading Sanitation system Old Hankey	1 606 379	MIG
Mig Administration	1 899 401	MIG
	25 490 006	

Description	Actual	
	2020	2019
	R	R
CAPITAL EXPENDITURE BY VOTE		
Executive & Council	591 195	1 398 761
Financial Services	5 506 628	1 322 564
Corporate Services	648 161	2 628 616
Planning, Development and Tourism	1 777 636	336 348
Infrastructure & Engineering	119 499 332	83 574 714
Community Services	16 812 146	4 166 035
Total Capital Expenditure	144 835 098	93 427 038

APPENDIX N: CAPITAL PROJECT BY PROGRAMME, CURRENT YEAR

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
CORPORATE SERVICES				
EDMS	Internal	1 560 455	(724 603)	835 852
Library upgrade & Corporate Services	Internal	22 000	(22 000)	-
Computer Software and Applications	Internal	434 000	(369 309)	64 691
Computer Equipment	Internal	402 220	131 400	533 620
Fencing of municipal building	Internal	100 000	369 309	469 309
Bio-metric System	Internal	600 000	(300 000)	300 000
Furniture and Equipment	Internal	352 446	(170 000)	182 446
		3 471 121	(1 085 203)	2 385 918
EXECUTIVE & COUNCIL				
Computer Equipment	Internal	147 445	17 966	165 411
Vehicle	Internal	400 000	300 000	700 000
Furniture and Equipment	Internal	16 847	100 000	116 847
Ward councilors Capital project	Internal	850 000	-	850 000
		1 414 292	417 966	1 832 258
PLANNING & DEVELOPMENT & TOURISM				
Land acquisition housing projects	Internal	360 000	-	360 000
Computer Software and Applications	Internal	315 000	-	315 000
Vehicles	Internal	400 000	-	400 000
Furniture and equipment	Internal	250 000	28 050	278 050
Restoration of Fisherman Grave Site	Internal	100 000	-	100 000
Kouga Business Support Centre	Internal	300 000	-	300 000
Computer Equipment	Internal	30 000	305 426	335 426
		1 755 001	333 476	2 088 477

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
FINANCE				
SCM Furniture	Internal	327 833	(11 407)	316 426
Computer Equipment	Internal	900 000	534 920	1 434 920
Furniture and Equipment	Internal	141 005	58 995	200 000
Cibex Software	Internal	681 497	681 497	681 497
WIFI Solution	Internal	75 904	-	75 904
Machinery and Equipment	Internal	156 465	-	156 465
DISASTER RECOVERY SERVER	Internal	637 267	(637 267)	
Office upgrade ICT	Internal	153 950	(153 950)	
		3 073 921	472 788	2 865 212
COMMUNITY SERVICES				
Vehicle	Internal	1 296 500	(861 439)	435 061
Vehicle	District	5 118 200	-	5 118 200
Jack Hammer and water pump	Internal	250 000	-	250 000
Kouga Skip Bins	Internal	200 000	-	200 000
Machinery and Equipment (Security Cameras System)	Internal	750 000	-	750 000
Fleet Management	Internal	100 000	-	100 000
Machinery and Equipment	Internal	647 638	(72 438)	575 200
Computer Equipment	Internal	30 000		30 000
Furniture and Equipment	Internal	144 760	-	144 760
Fencing Humansdorp Fire Station	Internal	200 000	-	200 000
Upgrading of Sports Facilities	Internal	153 457	-	153 457
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000	-	150 000
Fencing Community Hall	Internal	200 000	-	200 000
		9 240 555	(933 877)	8 306 678

Item Description	Funding	Special Adjustment Budget 2020/21	Adjustments	Adjustments Budget 2020/21
INFRASTRUCTURE & ENGINEERING				
Saffery Substation	Internal	1 000 000	1 031 855	2 031 855
High Mast Lights	Internal	-	903 430	903 430
LED _ Street Lights	Internal	-	200 000	200 000
SUBSTATION SECURITY	Internal	200 000	200 000	400 000
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086	-	3 043 086
Electrcial supply of tri switches St francis Bay	Internal	200 000	-	200 000
Machinery & Equipment	Internal	150 000	-	150 000
Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935	-	485 935
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739	-	4 521 739
Electrical Oil circuit breakers replacement with v	Internal	800 000	(60 000)	740 000
Electrcial Supply auto recloser St Francis Bay	Internal	400 000	(115 000)	285 000
Electrcial 5 MV 22000/11000 transformer	Internal	1 406 000	(183 430)	1 222 570
Kouga Backup Generators	Internal	500 000	230 000	730 000
Fencing Main Substation Jeffrey's Bay	Internal	500 000	-	500 000
LV Networks (Informal Areas, Electrification/illeg	Internal	1 000 000	(532 440)	467 560
Purchase of mini sub station 11000/400,22000/400	Internal	422 552	(422 552)	-
Humansdorp, Kruisfontein and Osean View Electrific	Internal	800 000	(496 863)	303 137
Substations Movements in Ocean View	Internal	3 000 000	-	3 000 000
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154	-	5 087 154
Upgrading of Sports Facilities	MIG	5 682 636	-	5 682 636
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	-	1 092 413
Upgrading of Gravel Roads in Humansdorp	MIG	7 890 511	(6 151 381)	1 739 130
Roads Capital	Internal	2 500 000	(230 000)	2 270 000
Security Camera	Internal	150 000	-	150 000
New bypass Sewer Rising Main and Pump Stations Jba	Internal	1 000 000	(500 000)	500 000
Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000	-	800 000
Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	1 000 000	(310 000)	690 000
Piped Reticulation - St Francis Bay	Internal	1 500 000	(1 225 000)	275 000
Upgrade Sanitation System Old Hankey	MIG	6 333 460	6 151 381	12 484 841
Construct emergency overflow pond Koraal Sewer pu	Internal	1 300 000	(1 300 000)	-
Upgrade Loerie sewer pump station	Internal	1 600 000	(1 350 000)	250 000
Container toilets	Internal	1 100 000	-	1 100 000
Replace 250mm Water Main Canal Road St Francis Ba	Internal	1 000 000	(700 000)	300 000
Repair Leaking Concrete Water Tower Paradise Beach	Internal	300 000	(50 000)	250 000
Replace Main Waterline Sout Rivier Bridge Crossing	Internal	1 000 000	(700 000)	300 000
Replace 250mm Water Main Mimosa Street Jbay	Internal	330 000	170 000	500 000
Upgrade Hankey Water Treatment Works	Internal	600 000	(200 000)	400 000
Machinery & Equipment	Internal	150 000	-	150 000
Patensie Sewage Package Plant	MIG	-	8 353 038	8 353 038
Upgrading KwaNomzamo Waste Water Treatment Works	WSIG	-	5 926 679	5 926 679
HV Switching Station	Internal		200 000	200 000
		58 845 486	8 839 717	67 685 203
317 Internally generated funds		42 074 262	(6 916 347)	35 157 915
Transfers recognised - capital		35 726 114	14 279 717	50 005 831
Total		77 800 376	7 363 370	85 163 746

APPENDIX O: CAPITAL PROJECTS BY WARD

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 • Access to water • Supply of plant and equipment • Release and or lease of state and municipal land for commonage and emergency farming
Department of Community Safety/SAPS	• Satellite police station for Ward 1 • Collaboration with municipal law enforcement to maximise safety in wards • Gangsterism at schools and townships • Involvement of SA Army • Establishment of community police forums • Enforcement of non-compliance of liquor on and off consumption in townships
Department of Education	• Overcrowding at all Kouga Schools • Need for Kouga FET College • Future use of unused (2) school sites in Jeffreys Bay
Department of Sports, Arts and Culture	• Maintenance of sports fields (Backlogs) and new facility for cricket in ward 4 & 5 • Construction of inclusive multi-purpose sports centres in Ward 4, 6, 7 and 14. • Library in Andrieskraal, Ward 1,10 & 14 • Wi-fi for all libraries
Department of Health	• Staffing of clinics in Ward 1,2, 4, 5, 9, 13 &14 • New clinics or extension to existing ones in ward 2 & 6 • Mobile more clinics in ward 4 (Kruisfontein and Die Berg) & ward 14

Department of Land Reform and Rural Development	• Release and or lease of state and municipal land for commonage and emergency farming in ward 1,4,7,9,10 and 14 • Comprehensive rural development programme for Ward 4, 7, 9, 10, 14 • Land for housing for farming community in Andrieskraal (Ward 9 & 10) • Outstanding land claims in Ward 13 and 9
Department of Social Services	• Increase social development programmes i.e. drug abuse, alcohol abuse etc in ward 1,2,4,5,6,7,9,19,14 and 15 • 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 Human Settlement	• Consider the housing needs register applications to do allocations in terms of national criteria • Rectification of the RDP houses in Kouga • Rectification of historical mud houses in Ward 13 • Refurbishment of ageing infrastructure of PRE/POST State funded houses • Unlocking of blocked housing projects • Destitute and vulnerable project in ward 2 • Formalisation of informal settlements (NUSP) • Multi-purpose centres and social amenities for all housing projects on provincial database • Release of state land (Papiesfontein)
Department of Environmental Affairs	• Recycling projects, campaign and environmental education • Assistance required for Paradise Beach Causeway • Vehicles on demarcated high and low tide beach areas in ward 2 and 14
Department of Transport	• Live Capturing Units equipment and staff needed

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



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020**

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Index

The reports and statements set out below comprise the Annual Financial Statements presented to the council:

Index

General Information	1-2
Approval of Annual Financial Statements	3
Report of the Auditor General	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes In Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 11
Accounting Policies	12 - 32
Notes to the Financial Statements	33 - 93

General Information

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE AS AT 30 JUNE 2020

H Hendricks	Executive Mayor
F Campher	Corporate Service
B Reeder	Planning and Development
B Williams	Finance
B Dhludhlu	Infrastructure & Engineering
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. R Lorgat

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Annual Financial Statements for the year ended 30 June 2020

General Information (Continued)

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, Lorie
Patensie, Thornhill

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Approval of Annual Financial Statements

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	Van Niekerk	M
Proportional	Matroos	C
Proportional	Biko	M
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


 Mr. C du Plessis
 Municipal Manager

2020-10-31
 Date

KOUGA LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2020

Report of the Auditor General

These Financial Statements have not been audited

KOUGA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

		Actual	
	Note	2020 R	2019 Restated R
ASSETS			
Current Assets		289,652,092	355,726,635
Inventories	2.	9,681,236	9,249,357
Receivables from Exchange Transactions	3.	45,875,434	54,093,203
Receivables from Non-exchange Transactions	4.	27,107,648	31,122,849
VAT Receivable	5.	65,780,872	46,795,893
Cash and Cash Equivalents	6.	141,032,614	214,227,967
Operating Lease Receivables	7.	171,287	234,365
Current Portion of Long-term Receivables	8.	3,000	3,000
Non-Current Assets		2,320,414,512	2,261,135,386
Property, Plant and Equipment	9.	2,077,173,028	2,018,326,592
Intangible Assets	10.	679,541	243,850
Investment Property	11.	242,551,944	242,551,944
Long-term Receivables	12.	10,000	13,000
Total Assets		2,610,066,604	2,616,862,021
LIABILITIES			
Current Liabilities		231,048,370	246,921,563
Consumer Deposits	13.	18,075,864	17,378,122
Provisions	14.	33,094,658	29,648,800
Payables from Exchange Transactions	15.	143,107,331	87,382,553
Payables from Non-exchange Transactions	16.	235,741	-
Unspent Conditional Grants and Receipts	17.	26,927,177	103,445,548
Current Portion of Long-term Liabilities	18.	9,607,597	9,066,539
Non-Current Liabilities		165,319,291	179,799,230
Long-term Liabilities	18.	6,746,811	16,354,409
Employee Benefit Liabilities	19.	86,255,839	94,807,417
Non-current Provisions	20.	72,316,640	68,637,404
Total Liabilities		396,367,660	426,720,793
Total Assets and Liabilities		2,213,698,944	2,190,141,228
NET ASSETS		2,213,698,944	2,190,141,228
Accumulated Surplus / (Deficit)	21.	2,213,698,944	2,190,141,228
Total Net Assets		2,213,698,944	2,190,141,228

KOUGA LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

		Actual	
	Note	2020	2019
		R	Restated R
REVENUE			
Revenue from Non-exchange Transactions		491,682,836	439,683,637
Property Rates	22.	197,544,136	184,331,308
Fines, Penalties and Forfeits	23.	20,388,284	21,333,783
Licences and Permits	24.	11,066,499	15,792,788
Transfers and Subsidies	25.	261,034,594	216,899,825
Interest, Dividends and Rent on Land Earned	29.	1,649,323	1,325,934
Revenue from Exchange Transactions		454,567,452	440,424,050
Service Charges	26.	420,509,001	413,280,935
Sales of Goods and Rendering of Services	27.	11,110,286	6,171,011
Rental from Fixed Assets	28.	697,437	609,214
Interest, Dividends and Rent on Land Earned	29.	18,584,025	18,908,767
Operational Revenue	30.	3,666,703	1,454,124
Total Revenue		946,250,288	880,107,688
EXPENDITURE		922,692,573	820,753,098
Employee Related Costs	31.	293,708,033	274,158,400
Remuneration of Councillors	32.	12,876,077	12,202,166
Depreciation and Amortisation	33.	76,933,561	75,640,120
Impairment Losses	34.	75,457,662	45,764,042
Interest, Dividends and Rent on Land	35.	5,714,358	6,637,780
Bulk Purchases	36.	264,529,320	234,527,407
Contracted Services	37.	70,860,223	62,693,690
Inventory Consumed	38.	40,125,475	27,381,399
Transfers and Subsidies Paid	39.	250,000	-
Operating Leases	40.	6,699,738	9,510,378
Operational Costs	41.	73,820,555	71,487,261
Loss on Disposal of Property, Plant and Equipment	42.	1,717,571	750,454
Total Expenditure		922,692,573	820,753,098
SURPLUS / (DEFICIT) FOR THE YEAR		23,557,715	59,354,590
Refer to Budget Statement for explanation of budget variances			

KOUGA LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Total Funds & Reserves	Accumulated Surplus/ (Deficit)	Total Net Assets
	R	R	R
2019			
Balance at 30 June 2018	-	2,131,472,851	2,131,472,851
Correction of Error (Note 43)	-	(686,213)	(686,213)
Restated Balance	-	2,130,786,638	2,130,786,638
Surplus / (Deficit) for the year	-	59,354,590	59,354,590
Surplus / (Deficit) as per prior 2018/19 AFS		59,138,890	59,138,890
Revenue & Expenditure Correction of Error (Note 43.)		215,699	215,699
Balance at 30 June 2019	-	2,190,141,228	2,190,141,228
2020			
Correction of Error (Note 43)	-	-	-
Restated Balance	-	2,190,141,228	2,190,141,228
Surplus / (Deficit) for the year	-	23,557,716	23,557,716
Other Transfers to/from Accumulated Surplus		-	-
Balance at 30 June 2020	-	2,213,698,944	2,213,698,944

KOUGA LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	Actual 2020 R	2019 Restated R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Property Rates	22.	191,428,034	183,353,633
Transfers and Subsidies	25.	184,516,223	313,403,865
Service Charges	26.	350,907,608	385,066,022
External Interest and Dividends Received	29.	11,657,220	11,946,693
Other Receipts	30.	63,439,397	32,528,938
Payments			
Employee Related Costs	31.	(300,280,792)	(274,990,290)
Remuneration of Councillors	32.	(12,876,077)	(12,202,166)
External Interest and Dividends Paid	35.	(2,502,983)	(3,496,757)
Suppliers Paid	38.	(355,512,174)	(336,077,974)
Other Payments	41.	(78,192,362)	(76,052,997)
VAT Paid	5.	(18,984,979)	(24,082,421)
NET CASH FLOWS FROM OPERATING ACTIVITIES	44.	<u>33,599,115</u>	<u>199,396,544</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	9..	(97,178,186)	(71,686,943)
Decrease / (Increase) in Long-term Receivables	12.	3,000	3,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(97,727,929)</u>	<u>(72,360,219)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Long-term Loans (Loans Taken-on)	18.	(9,066,540)	(7,123,483)
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>(9,066,540)</u>	<u>(7,123,483)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(73,195,353)</u>	<u>119,912,842</u>
Cash and Cash Equivalents at Beginning of Period	6.	214,227,967	94,315,125
Cash and Cash Equivalents at End of Period	6.	141,032,614	214,227,967

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

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	6,666,181	2,583,177	9,249,358	9,249,358	9,681,236	431,878	104.67	145.23
Receivables from Exchange Transactions	67,067,215	-	60,507,301	60,507,301	45,875,434	(14,631,867)	75.82	68.40
Receivables from Non-exchange Transactions	-	33,884,939	33,884,939	33,884,939	27,107,648	(6,777,291)	80.00	0.00
Statutory Receivables from Non-Exchange Transactions	-	-	-	-	-	-	0.00	0.00
VAT Receivable	-	-	-	-	65,780,872	65,780,872	0.00	0.00
Cash and Cash Equivalents	66,317,735	10,010,629	76,328,364	76,328,364	141,032,614	64,704,250	184.77	212.66
Operating Lease Receivables	-	-	-	-	171,287	171,287	0.00	0.00
Current Portion of Long-term Receivables	-	3,000	3,000	3,000	3,000	-	100.00	0.00
Non-Current Assets								
Property, Plant and Equipment	1,961,428,032	162,576,257	2,124,004,289	2,124,004,289	2,077,173,028	(46,831,261)	97.80	105.90
Intangible Assets	1,801,768	410,520	2,212,288	2,212,288	679,541	(1,532,747)	30.72	37.72
Investment Property	354,388,814	(111,836,870)	242,551,944	242,551,944	242,551,944	-	100.00	68.44
Heritage Assets	-	-	-	-	-	-	0.00	0.00
Long-term Receivables	16,000	(3,000)	13,000	13,000	10,000	(3,000)	76.92	62.50
Total Assets	2,457,685,745	97,628,652	2,548,754,483	2,548,754,483	2,610,066,604	61,312,121	102.41	106.20
Current Liabilities								
Consumer Deposits	15,240,869	2,137,253	17,378,122	17,378,122	18,075,864	697,742	104.02	118.60
Provisions	-	29,648,800	29,648,800	29,648,800	33,094,658	3,445,858	111.62	0.00
Payables from Exchange Transactions	-	133,730,281	133,730,281	133,730,281	143,107,331	9,377,050	107.01	0.00
Payables from Non-exchange Transactions	-	-	-	-	235,741	235,741	0.00	0.00
Unspent Conditional Grants and Receipts	-	-	-	-	26,927,177	26,927,177	0.00	0.00
Current Portion of Long-term Liabilities	-	9,066,538	9,066,538	9,066,538	9,607,597	541,059	105.97	0.00
Non-Current Liabilities								
Long-term Liabilities	-	18,555,536	18,555,536	18,555,536	6,746,811	(11,808,725)	36.36	0.00
Employee Benefit Liabilities	-	80,398,309	80,398,309	80,398,309	86,255,839	5,857,530	107.29	0.00
Non-current Provisions	-	83,046,512	83,046,512	83,046,512	72,316,640	(10,729,872)	87.08	0.00
Total Liabilities	15,240,869	356,583,229	371,824,098	371,824,098	396,367,660	24,543,562	106.60	2,600.69
Total Assets and Liabilities	2,442,444,876	(258,954,577)	2,176,930,385	2,176,930,385	2,213,698,944	36,768,559	101.69	90.63
Net Assets (Equity)								
Accumulated Surplus / (Deficit)	2,130,634,602	46,295,784	2,176,930,386	2,176,930,386	2,213,698,944	36,768,558	101.69	103.90
Total Net Assets	2,130,634,602	46,295,784	2,176,930,386	2,176,930,386	2,213,698,944	36,768,558	101.69	103.90
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:								
Receivables from Exchange Transactions: The variance is due to unanticipated increase in debtors' bad debt provision due to the impact of National Lockdown caused by the Covid-19 Pandemic, which has rendered debtors unable to pay their current obligations to the municipality.								
Receivables from Non-exchange Transactions Receivables from Non-exchange Transactions mostly related to Property Rates and traffic fines debtors and they have been reclassified as Statutory Receivables from Non-exchange Transactions in line with GRAP108. The variance is due to unanticipated increase in debtors' bad debt provision due to Covid-19 Pandemic.								
Statutory Receivables from Non-Exchange Transactions NT Budget Template not aligned to GRAP and does not provide for Statutory Receivables from Non-Exchange Transaction, but the variance is explained in terms of Receivables from Non-exchange Transactions.								
VAT Receivable: No budget provision was made for VAT Receivable.								
Cash and Cash Equivalents: The Cash and Cash Equivalents is influenced by the Capital Projects rollover to 2020/21 financial year and the unspent Conditional Grants.								
Operating Lease Receivables: No Budget provision was made for Operating Lease Receivables.								
Intangible Assets: Intangible Assets variance is due to the reclassification to Property, Plant and Equipment (PPE).								
Long-term Receivables: Budget provision slightly higher than anticipated.								
Provisions: This amount relates to Employee Related Benefits and Rehabilitation of landfill sites. The actuals are slightly higher than budgeted amount.								
Payables from Non-exchange Transactions: NT Budget Template not aligned to GRAP and does not provide for Payables from Non-exchange Transactions.								
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: Budget provision included the current portion of the long-term liabilities								
Non-current Provisions: Budget provision slightly higher than anticipated.								

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

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	196,716,970	504,518	197,221,488	197,221,488	197,544,136	322,648	100.16	100.42
Fines, Penalties and Forfeits	6,397,149	1	6,397,148	6,397,148	20,388,284	13,991,136	318.71	318.71
Licences and Permits	12,830,145	3,809,931	16,640,076	16,640,076	11,066,499	5,573,577	66.51	86.25
Transfers and Subsidies	191,174,835	994,272	190,180,563	190,180,563	261,034,594	70,854,031	137.26	136.54
Surcharges and Taxes	-	1	1	1	-	1	0.00	0.00
Interest, Dividends and Rent on Land Earned	1,483,759	617,041	2,100,800	2,100,800	1,649,323	451,477	78.51	111.16
Revenue from Exchange Transactions								
Licences and Permits	3,738,203	556,459	3,181,744	3,181,744	-	3,181,744	0.00	0.00
Service Charges	453,250,715	943,987	452,306,728	452,306,728	420,509,001	31,797,727	92.97	92.78
Sales of Goods and Rendering of Services	6,845,699	975,132	5,870,567	5,870,567	11,110,286	5,239,719	189.25	162.30
Income from Agency Services	-	-	-	-	-	-	0.00	0.00
Rental from Fixed Assets	4,036,616	2	4,036,614	4,036,614	697,437	3,339,177	17.28	17.28
Interest, Dividends and Rent on Land Earned	17,330,274	6,836,130	24,166,404	24,166,404	18,584,025	5,582,379	76.90	107.23
Operational Revenue	951,534	266,298	1,217,832	1,217,832	3,666,703	2,448,871	301.08	385.35
Total Revenue	884,755,899	8,564,066	903,319,965	903,319,965	946,250,288	42,930,322	104.75	105.76
Expenditure								
Employee Related Costs	290,941,607	12,277,377	303,218,984	303,218,984	293,708,033	9,510,951	96.86	100.95
Remuneration of Councillors	13,062,989	-	13,062,989	13,062,989	12,876,077	186,912	98.57	98.57
Depreciation and Amortisation	85,100,653	-	85,100,653	85,100,653	76,933,561	8,167,092	90.40	90.40
Impairment Losses	26,336,275	83,371	26,419,646	26,419,646	75,457,662	49,038,016	286.61	286.52
Interest, Dividends and Rent on Land	2,201,127	2	2,201,129	2,201,129	5,714,358	3,513,229	259.61	259.61
Bulk Purchases	271,623,157	-	271,623,157	271,623,157	264,529,320	7,093,837	97.39	97.39
Contracted Services	80,813,543	2,689,225	83,502,768	83,502,768	70,860,223	12,642,545	84.86	87.68
Inventory Consumed	29,620,873	5,329,964	34,950,837	34,950,837	40,125,475	5,174,638	114.81	135.46
Transfers and Subsidies Paid	-	250,000	250,000	250,000	250,000	-	100.00	0.00
Operating Leases	11,263,294	1,121,107	10,142,187	10,142,187	6,699,738	3,442,449	66.06	59.48
Operational Costs	86,173,148	10,474,983	96,648,131	96,648,131	73,820,555	22,827,576	76.38	85.67
Losses on Other Operations	-	-	-	-	-	-	0.00	0.00
Loss on Disposal of Property, Plant and Equipment	-	-	-	-	1,717,571	1,843,760	0.00	0.00
Total Expenditure	897,136,666	29,983,815	927,120,481	927,120,481	922,692,573	4,301,719	99.52	102.85
Surplus/(Deficit for the Year)	(2,380,767)	(21,419,749)	(23,800,516)	(23,800,516)	23,557,715	47,232,042	-	-

Financial Performance: 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 infringements.

Licences and Permits Non-exchange:

Licences and Permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations. The licences and Permits budget provision is higher than anticipated.

Transfers and Subsidies:

Transfers and Subsidies recognised are higher than the budgeted amount, due to the rollover of the Water Services Infrastructure Grant from 2018/19 financial year.

Surcharges and Taxes

NT Budget Template not aligned to GRAP and does not provide for Surcharges and Taxes.

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 slightly lower than anticipated due to rebates given as a result of Covid 19 Pandemic.

Licences and Permits Exchange:

The budget is slightly higher than anticipated.

Sales of Goods and Rendering of Services:

Sales of Goods and Rendering of Services actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

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 due to National Lockdown as result of the Covid 19 Pandemic.

Interest, Dividends and Rent on Land Earned: Exchange Transa

This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are lower than anticipated mostly due to the municipality not charging interest on the outstanding debtors as result of Covid-19 Pandemic.

Operational Revenue:

The variance is due unanticipated insurance claims/refunds.

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.

Contracted Services:

The budget is slightly higher than anticipated.

Inventory Consumed

The actual expenditure is slightly higher than anticipated.

Operating Leases

The operating leases actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

Operational Costs

The operational costs actuals are lower than anticipated and could be attributed by the effects of the National Lockdown imposed as result of the Covid-19 Pandemic.

Loss on Disposal of Property, Plant and Equipment:

No budget provision was made for loss on Disposal of Property, Plant and Equipment

KOUGA LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

30 June 2020

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								
Receipts								
Property Rates	188,848,290	484,338	189,332,628	189,332,628	191,428,034	2,095,406	101.11	101.37
Transfers and Subsidies	191,174,835	(994,274)	190,180,561	190,180,561	184,516,223	(5,664,338)	97.02	96.52
Service Charges	435,120,682	(906,223)	434,214,459	434,214,459	350,907,608	(83,306,851)	80.81	80.65
External Interest and Dividends Received	18,476,472	7,355,043	25,831,515	25,831,515	11,657,220	(14,174,295)	45.13	63.09
Other Receipts	34,799,346	2,544,635	37,343,981	37,343,981	63,439,397	26,095,416	169.88	182.30
Payments								
Employee Related Costs	(290,941,607)	(12,277,375)	(303,218,982)	(303,218,982)	(300,280,792)	2,938,190	0.00	0.00
Remuneration of Councillors	(13,062,989)	-	(13,062,989)	(13,062,989)	(12,876,077)	186,912	0.00	0.00
External Interest and Dividends Paid	(2,201,127)	-	(2,201,127)	(2,201,127)	(2,502,983)	(301,856)	0.00	0.00
Suppliers Paid	(479,494,016)	(17,623,072)	(497,117,088)	(497,117,088)	(355,512,174)	141,604,914	0.00	0.00
Other Payments	-	-	-	-	(78,192,362)	(78,192,362)	0.00	0.00
VAT Receivable / Payable	-	-	-	-	(18,984,979)	(18,984,979)	0.00	0.00
Cash Flows from/(used in) Investing Activities								
Purchase of Property, Plant and Equipment	93,110,299	99,165,976	192,276,275	192,276,275	(97,178,186)	(289,454,461)	0.00	0.00
Purchase of Intangible Assets	-	-	-	-	(552,742)	(552,742)	0.00	0.00
Proceeds on Disposal of Property, Plant and Equipment	-	-	-	-	-	-	0.00	0.00
Decrease / (Increase) in Long-term Receivables	-	3,000	3,000	3,000	3,000	0	100.00	0.00
Cash Flows from/(used in) Financing Activities								
Increase in Long-term Loans (Loans Taken-on)	(7,998,872)	(1,067,667)	(9,066,539)	(9,066,539)	(9,066,540)	(1)	0.00	0.00
Cash and Cash Equivalents at Beginning of the Year	84,707,019		214,227,967	214,227,967	214,227,967	(319,848,301)	100.00	252.90
Cash and Cash Equivalents at End of the Year	66,317,735		76,328,364	76,328,364	141,032,614			
Cash Flow Statement: 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:								
Service Charges								
The receipts for service charges are lower than anticipated due to low collection rate as result of National Lockdown caused by Covid-19 Pandemic.								
External Interest and Dividends Received								
This interest relates to interest earned on bank and investments and interest charged on outstanding debtors. The actuals are lower than anticipated mostly due to low collection rate as result of Covid-19 Pandemic.								
Other Receipts								
NT Budget Template not aligned to GRAP and other receipts are higher than anticipated due to receipts from Non-exchange Transactions.								
External Interest and Dividends Paid								
The variance is due to interest charged on Overdue Creditors, Finance Lease and Landfill sites provision not budgeted for.								
Suppliers Paid								
Suppliers paid actuals should include Other Payments and are slightly lower than anticipated as result of National Lockdown caused by Covid-19 Pandemic.								
Other Payments								
NT Budget Template not aligned to GRAP and does not provide for Other Payments, this line is included in Suppliers Paid in the approved budget.								
VAT Receivable / Payable								
No budget provision was made for VAT Receivable/Payable.								
Purchase of Property, Plant and Equipment								
The underspending of projects relate to various Capital Programmes, with the budget rollover to 2020/21 for implementation of the projects. The budget rollover was approved by Council on 30 September 2020. This is also influenced by the underspending of Conditional Grants.								
Purchase of Intangible Assets								
The budget provision was made in Property, Plant and Equipment								

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner

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 Utilisation of Transitional Provisions

GRAP 108 Statutory Receivables

GRAP 108 Statutory Receivables became effective on 1 April 2019 and, in accordance with the transitional provisions for the Standard

The municipality is taking advantage of the transitional provisions by not classifying or measuring its Statutory Receivables in

The estimate Statutory Receivables that exists in the municipality's books at year-end are those relating to Property Rates, Fines and

The municipality intends to fully apply the requirements of GRAP 108 by 30 June 2021.

1.2 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.

1.3 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

For the years ended 30 June 2019 and 30 June 2020 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.

1.4 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:

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.4.1 Revenue Recognition

Accounting Policy 10.2 on Revenue from Exchange Transactions and Accounting Policy 10.3 on Revenue from Non-exchange

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.

1.4.2 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.
- **Impairment of Statutory Receivables**
Accounting Policy 7.3 on Impairment of Statutory Receivables describes the process followed to determine the value at which Statutory Receivables 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 Statutory Receivables recorded during the year is appropriate.
- **Impairment of Traffic Fines:**
Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not to be made at the time of initial recognition.

1.4.3 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.

1.4.4 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.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.4.5 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

1.4.6 Defined Benefit Plan Liabilities

As described in Accounting Policy 13.2, 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.

1.4.7 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.

1.4.8 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.

1.4.9 Principals and Agent Arrangements

The municipality assesses whether it is a party to any principal-agent arrangements by considering the principles contained in GRAP 109.

The municipality is assessed to be the agent and only accounts for the amounts which the agent are entitled to in terms of the principal agent arrangement. In order to assess that the municipality is the agent, the following factors were considered in applying its judgement:

- The municipality acts as an agent for Department of Transport for issuing licenses and permits and collects monies on their behalf.

Management has assessed all arrangements in place and concluded that there are no principal-agent arrangements to which it was a party during this accounting period.

1.4.10 Service Concession Arrangements

The municipality assesses whether it is a party to any service concession arrangements by considering the principles contained in GRAP 32 and IFRIC 12.

Management has assessed all arrangements in place and concluded that there are no service concession arrangements to which it was a party during this accounting period.

1.4.11 Housing Arrangements

The municipality is not accredited to deliver housing under the national housing programme. However it assesses its roles and responsibilities it undertakes for each project undertaken in terms of the national housing programme by assessing the terms and conditions agreed with the relevant Provincial Department of Human Settlements.

The municipality is assessed to be the project manager and relevant transactions are accounted for per the requirements of the relevant Standards of GRAP and the required disclosures are made in the relevant Notes to the Financial Statements. In order to assess that the municipality is the project manager, the following factors were considered in applying its judgement:

- The municipality acts on behalf of the Department of Human Settlement and acts on their behalf. The municipality acts as project manager whereby they co-ordinate representatives from Department of Human Settlement and contractors.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.5 Going Concern Assumption

The Annual Financial Statements have been prepared on a *Going Concern Assumption*.

1.6 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:

Standard of GRAP		Effective Date
• GRAP 18	Segment Reporting	2020-04-01
• GRAP 34	Separate Financial Statements	2020-04-01
• GRAP 35	Consolidated Financial Statements	2020-04-01
• GRAP 36	Investments in Associates and Joint Ventures	2020-04-01
• GRAP 37	Joint Arrangements	2020-04-01
• GRAP 38	Disclosure of Interests in Other Entities	2020-04-01
• GRAP 104	Financial Instruments	2020-04-01
• GRAP 110	Living and Non-living Resources	2020-04-01
• IGRAP 20	Accounting for Adjustments to Revenue	2020-04-01

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.

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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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
Infrastructure		Recreational Facilities	10 - 40
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	Transport Assets	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 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.

2.7 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.

2.8 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3. INTANGIBLE ASSETS

3.1 Recognition and Initial Measurement

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		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).

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

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.

Recognition and Off-setting

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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

Trade and Other Receivables exclude Value Added Taxation, Prepayments and Operating Lease Receivables are classified as 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 outstanding 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7. STATUTORY RECEIVABLES

Statutory Receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset.

The municipality has the following Statutory Receivables from Non-exchange Transactions:

- Assessment Rates

7.1 Recognition and Initial Measurement

Statutory Receivables are recognised if the transaction is an exchange transaction per GRAP 9 or a non-exchange transaction per GRAP 23 or, if the transaction is not within the scope of GRAP 9 or GRAP 23, or another Standard of GRAP, and the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be reliably measured.

The municipality recognises Statutory Receivables when they arise.

Statutory Receivables are initially measured at their transaction amount. The transaction amount would be the amount that is determined on initial measurement in accordance with the relevant Standard of GRAP.

7.2 Subsequent Measurement

Statutory Receivables are measured after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- (a) Interest or other charges that may have accrued on the receivable, where applicable;
- (b) Impairment losses; and
- (c) Amounts derecognised.

7.3 Impairment

Statutory Receivables are assessed for indicators of impairment at the end of each reporting period. Statutory Receivables are impaired where there is any indication of impairment of Statutory Receivables, such as the probability of insolvency or significant financial difficulties of the debtor.

In assessing whether Statutory Receivables are impaired, the municipality assesses whether there are any indications that individually significant receivables are impaired; and/or groups of similar, individually insignificant, receivables are impaired.

7.4 Derecognition

The municipality derecognises Statutory Receivables only when the rights to the cash flows from the receivable expires or it transfers the Statutory Receivable and substantially all the risks and rewards of ownership of the receivable to another municipality, except when council approves the write-off of the receivable due to non-recoverability.

The municipality derecognises a receivable if the municipality, despite having retained some significant risks and rewards of ownership, transfers control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality recognises separately any rights and obligations created or retained in the transfer. The carrying amount of and statutory receivables transferred is allocated between the rights and obligations retained and those transferred on the basis of the relative fair values at the transfer date. The municipality assesses whether any newly created rights and obligations are within the scope of GRAP 104 or another Standards of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, is recognised in surplus or deficit in the period transferred.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8. INVENTORIES

8.1 Recognition and Initial Measurement

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business.

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.

8.2 Subsequent Measurement

8.2.1 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*.

8.2.2 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.

9. CONSTRUCTION CONTRACTS

Construction Contracts are those contracts entered between the municipality and a customer (or third party) whereby the municipality delivers a constructed asset in terms of an agreement with such party. The construction can be done by the municipality or through the use of a sub-contractor. The benefit of the constructed item (or group) of items must be received by such party and not the municipality.

Revenue from such contracts shall comprise the agreed value in terms of the contract plus any agreed variations to such contract on the conditions that these variations will result in an inflow of economic resources that can be measured reliably.

Contract costs are costs that directly relate to the contract as well as costs that are attributable to the execution of the construction work and any additional costs as agreed between the municipality and the party obtaining the final goods. Attributable costs are only assigned to the contract costs if these can be assigned on a systematic and rational basis.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The municipality assessed all of the contracts in place and found that all of the contracts pertained to Housing Arrangements as those described in ASB's Accounting for Arrangements Undertaken in terms of the National Housing Programme. All of these contracts for the municipality are fixed price contracts. Revenue and costs are therefore recognised with reference to the stage of completion provided that the conditions for contract revenue and contract costs are met and the stage of contract completion can be measured.

In exceptional cases, if any, for a cost plus or cost based contract the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits or service potential associated with the contract will flow to the entity and the contract costs can be clearly identified and measured reliably.

An expected deficit on a construction contract shall be recognised as an expense immediately based on the stage of completion. Future losses are only accounted for when these losses are incurred in terms of the stage of completion. This implies that only the proportional loss of a contract would be recognised based on the percentage of completion.

As the percentage or stage of completion is an estimate at year-end, any subsequent changes to the estimate would be accounted for as a change in estimate in terms of the relevant municipal accounting policy.

REVENUE RECOGNITION

10.1 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.

The fair value of revenue on initial recognition is normally the transaction price. The fair value of a short-term receivable or payable on

10.2 Revenue from Exchange Transactions

10.2.1 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

10.2.2 Prepaid Electricity

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. Revenue from the sale of electricity

10.2.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

10.2.4 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.

Interest on outstanding customer receivables is calculated when the receivable is more than 30 days at prime rate plus 1%, and

10.2.5 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.

10.2.6 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.

10.2.7 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.

10.3 Revenue from Non-exchange Transactions

10.3.1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when

10.3.2 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

10.3.3 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

10.3.4 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.

10.3.5 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.

10.3.6 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.

10.3.7 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.

10.3.8 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.

10.3.9 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

11. CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit

12. 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.

12.1 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.

13. EMPLOYEE BENEFIT LIABILITIES

13.1 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13.2 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

13.2.1 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.

13.2.2 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.

KOUGA LOCAL MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

14. LEASES

14.1 The Municipality as Lessee

14.1.1 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.

14.1.2 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14.2 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.

15. BORROWING COSTS

The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, except where the commencement date for capitalisation is prior to 1 July 2008, then these borrowing costs are recognised as an expense in Surplus or Deficit.

To the extent that the municipality borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the municipality determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the municipality that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

All borrowing costs are treated as an expense in the period in which they are incurred.

16. 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.

17. VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18. 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.

19. 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.

20. 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.

21. 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 *First-In-First-Out Method* as defined by GRAP 12 (*Inventories*).

22. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

23. 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.

KOUGA LOCAL MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

24. 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.

25. 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.

26. 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 2019 to 30 June 2020.

27. 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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 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		
Materials and Supplies	8,973,662	8,612,231
Water - at cost	707,574	637,127
Total Inventories	9,681,236	9,249,357
2.1 Allocation for Cash Flow		
Suppliers Paid:-		
Inventory - Opening Balance	9,249,357	6,666,181
Inventory - Closing Balance	(9,681,236)	(9,249,357)
Total Inventory allocated to Suppliers Paid	<u>(431,879)</u>	<u>(2,583,176)</u>
Total Inventory allocated to Cash Flow	(431,879)	(2,583,176)
Land Inventory relates to properties for sale.		
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 includes R40,125,475 (2019: R27,381,399)		
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 2020			
Service Debtors:	169,711,420	129,050,796	40,660,624
Electricity	40,391,154	14,072,304	26,318,850
Refuse	41,251,246	39,343,262	1,907,985
Sewerage	24,575,972	21,981,883	2,594,089
Other Service Charges	4,986,329	3,296,280	1,690,049
Water	58,506,720	50,357,067	8,149,653
Other Debtors	724,062	-	724,062
Prepayments and Advances	3,139,189	22,000	3,117,189
Recoveries from Staff	191,443	22,000	169,443
Annual Licence Fees	2,947,746	-	2,947,746
Control, Clearing and Interface Accounts	480,017	-	480,017
Deposits for Land	893,543	-	893,543
Total Receivables from Exchange Transactions	174,948,231	129,072,796	45,875,434

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	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 Debtors	140,060	-	140,060
Prepayments and Advances	2,920,016	22,000	2,898,016
Recoveries from Staff	188,443	22,000	166,443
Annual Licence Fees	2,731,573	-	2,731,573
Control, Clearing and Interface Accounts	490,922	-	490,922
Deposits for Land	2,285,000	-	2,285,000
Total Receivables from Exchange Transactions	165,551,604	111,458,400	54,093,203

	2020 R	2019 R
3.1 Allocation for Cash Flow		
Service Charges:-		
Service Debtors - Opening Balance	48,279,205	45,581,899
Service Debtors - Closing Balance	-	40,660,624
Service Debtors: Provision for Impairment - Opening Balance	111,436,400	92,926,783
Service Debtors: Provision for Impairment - Closing Balance	-	129,050,796
Other Receivables - Opening Balance	140,060	1,350
Other Receivables - Closing Balance	-	724,062
Total Receivables from Exchange Transactions allocated to Service Charges	(10,579,816)	(21,345,634)
Other Receipts:-		
Receivables from Exchange Transactions: Gross - Opening Balance	165,551,604	141,760,964
Receivables from Exchange Transactions: Gross - Closing Balance	-	174,948,231
Less Cash Flow for:-		
Service Charges	10,579,816	21,345,634
Suppliers Paid	-	1,172,284
Profit on Sale of Land	-	1,168
Total Receivables from Exchange Transactions allocated to Other Receipts	10,905	6,000
Suppliers Paid:-		
Prepayments and Advances - Opening Balance	2,898,016	2,730,843
Prepayments and Advances - Closing Balance	-	3,117,189
Prepayments and Advances: Provision for Impairment - Opening Balance	22,000	22,000
Prepayments and Advances: Provision for Impairment - Closing Balance	-	22,000
Prepayments and Advances - Opening Balance	2,285,000	-
Prepayments and Advances - Closing Balance	-	893,543
Total Receivables from Exchange Transactions allocated to Suppliers Paid	1,172,284	(2,452,173)
Profit on Sale of Land:-		
Land Sale Debtors - Opening Balance	0.00	1,168.00
Land Sale Debtors - Closing Balance	0.00	0.00
Total Receivables from Exchange Transactions allocated to Profit on Sale of Land (Other Receipts)	-	1,168
Total Receivables from Exchange Transactions allocated to Cash Flow	(9,396,627)	(23,790,640)

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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3.2 Ageing of Receivables from Exchange Transactions

As at 30 June 2020

	Current 0 - 30 days	Past Due			Total
		31 - 60 Days	61 - 90 Days	+ 90 Days	
Electricity:					
Gross Balances	9,695,733	1,600,000	10,669,081	18,426,340	40,391,154
Less: Provision for Impairment	106,944	61,878	1,970,754	11,932,727	14,072,304
Net Balances	9,588,789	1,538,122	8,698,327	6,493,613	26,318,850
Refuse:					
Gross Balances	-	559,302	3,565,867	37,126,077	41,251,246
Less: Provision for Impairment	-	91	916,786	38,426,384	39,343,262
Net Balances	-	559,211	2,649,081	(1,300,307)	1,907,984
Sewerage:					
Gross Balances	-	-	3,486,547	21,089,425	24,575,972
Less: Provision for Impairment	-	-	972,246	21,009,637	21,981,883
Net Balances	-	-	2,514,301	79,788	2,594,089
Other Service Charges:					
Gross Balances	664,315	119,647	58,633	4,143,734	4,986,329
Less: Provision for Impairment	10,662	6,367	34,284	3,244,967	3,296,280
Net Balances	653,653	113,280	24,350	898,767	1,690,049
Water:					
Gross Balances	4,607,206	1,000,734	5,005,877	47,892,904	58,506,720
Less: Provision for Impairment	-	633,697	1,245,917	48,477,453	50,357,067
Net Balances	4,607,206	367,037	3,759,960	(584,550)	8,149,652
Other Debtors:					
Gross Balances	724,062	-	-	-	724,062
Less: Provision for Impairment	-	-	-	-	-
Net Balances	724,062	-	-	-	724,062
Prepayments and Advances:					
Gross Balances	3,139,189	-	-	-	3,139,189
Less: Provision for Impairment	22,000	-	-	-	22,000
Net Balances	3,117,189	-	-	-	3,117,189
Control, Clearing and Interface Accounts:					
Gross Balances	480,017	-	-	-	480,017
Less: Provision for Impairment	-	-	-	-	-
Net Balances	480,017	-	-	-	480,017
Deposits for Land					
Gross Balances	893,543	-	-	-	893,543
Less: Provision for Impairment	-	-	-	-	-
Net Balances	893,543	-	-	-	893,543

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June Receivables of R25,810,978 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	<i>0 - 30 days</i>	<i>31 - 60 Days</i>	<i>61 - 90 Days</i>	<i>+ 90 Days</i>	
All Receivables:					
Gross Balances	20,204,064	3,279,683	22,786,005	128,678,479	174,948,231
Less: Provision for Impairment	139,606	702,034	5,139,987	123,091,169	129,072,796
Net Balances	20,064,457	2,577,649	17,646,018	5,587,311	45,875,435
As at 30 June 2019					
	Current	Past Due			Total
	<i>0 - 30 days</i>	<i>31 - 60 Days</i>	<i>61 - 90 Days</i>	<i>+ 90 Days</i>	
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	9	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	3,296,280
Net Balances	40,550	13,452	56,586	968,810	1,079,398
Water:					
Gross Balances	1,988,538	5,277,651	2,441,130	44,790,541	54,497,861
Less: Provision for Impairment	165	144,153	1,114,465	42,397,696	43,656,479
Net Balances	1,988,373	5,133,498	1,326,666	2,392,845	10,841,381
Other Receivables:					
Gross Balances	-	-	-	-	-
Less: Provision for Impairment	-	-	-	-	-
Net Balances	-	-	-	-	-
Other Debtors:					
Gross Balances	140,060	-	-	-	140,060
Less: Provision for Impairment	-	-	-	-	-
Net Balances	140,060	-	-	-	140,060
Prepayments and Advances:					
Gross Balances	2,920,016	-	-	-	2,920,016
Less: Provision for Impairment	22,000	-	-	-	22,000
Net Balances	2,898,016	-	-	-	2,898,016
Control, Clearing and Interface Accounts:					
Gross Balances	490,922	-	-	-	490,922
Less: Provision for Impairment	-	-	-	-	-
Net Balances	490,922	-	-	-	490,922
Deposits for Land					
Gross Balances	2,285,000	-	-	-	2,285,000
Less: Provision for Impairment	-	-	-	-	-
Net Balances	2,285,000	-	-	-	2,285,000

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June Receivables of R31,886,438 were past due but not impaired. The age analysis of these Receivables are as follows:

	Current	Past Due			Total
	<i>0 - 30 days</i>	<i>31 - 60 Days</i>	<i>61 - 90 Days</i>	<i>+ 90 Days</i>	
All Receivables:					
Gross Balances	22,270,416	25,697,483	7,641,077	109,942,627	165,551,604
Less: Provision for Impairment	63,651	330,274	2,633,225	108,431,250	111,458,400
Net Balances	22,206,765	25,367,208	5,007,853	1,511,377	54,093,203

3.3 Reconciliation of the Provision for Impairment

Balance at beginning of year	111,458,401	92,948,783
Impairment Losses recognised	31,492,073	10,663,601
Impairment Losses reversed	13,197,146	14,700,908
Amounts written off as uncollectable	(27,074,824)	(6,854,892)

Balance at end of year	129,072,796	111,458,400
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3.3.1 Allocation for Cash Flow

Provision for Impairment at Beginning of Year	111,458,400	92,948,783
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Movement in Non-cash Transactions:-

Impairment Recognised	31,492,073	10,663,601
Impairment Reversed	13,197,146	14,700,908

Total Receivables from Exchange Transactions Impairment allocated to Non-cash Transactions	<u>44,689,219</u>	<u>25,364,509</u>
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Movement in Service Charges:-

Amounts Written-off	- 27,074,824	- 6,854,892
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Total Receivables from Exchange Transactions Impairment allocated to Service Charges	<u>- 27,074,824</u>	<u>- 6,854,892</u>
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Provision for Impairment at End of Year	129,072,795	111,458,400
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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.

3.4 Derecognition of Financial Assets

No Financial Assets have been transferred to other parties during the year.

RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Gross Balances R	Provision for Impairment R	Net Balances R
As at 30 June 2020			
Property Rates	45,912,285	23,942,021	21,970,265
Fines	29,127,546	23,990,163	5,137,384
Total Receivables from Non-exchange Transactions	75,039,832	47,932,183	27,107,648

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	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

4.1 Allocation for Cash Flow

Property Rates:-

Property Rates Debtors - Opening Balance		20,056,493	19,826,082
Property Rates Debtors - Closing Balance	-	21,970,265	20,056,493
Property Rates Debtors: Provision for Impairment - Opening Balance		18,090,368	16,017,170
Property Rates Debtors: Provision for Impairment - Closing Balance	-	23,942,021	18,090,368
Total Receivables from Non-exchange Transactions allocated to Property Rates		(7,765,424)	(2,303,609)

Other Receipts:-

Receivables from Non-exchange Transactions - Opening Balance		31,122,849	26,465,782
Receivables from Non-exchange Transactions - Closing Balance	-	27,107,648	31,122,849
Receivables from Non-exchange Transactions: Provision for Impairment - Opening Balance		57,700,819	45,017,273
Receivables from Non-exchange Transactions: Provision for Impairment - Closing Balance	-	47,932,183	57,700,819
Less Cash Flow for:-			
Property Rates		7,765,424	2,303,609
Total Receivables from Non-exchange Transactions allocated to Other Receipts		21,549,260	(15,037,005)
Total Receivables from Non-exchange Transactions allocated to Cash Flow		13,783,836	(17,340,613)

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.

4.2 Ageing of Receivables from Non-exchange Transactions

As at 30 June 2020

	Current 0 - 30 days	Past Due			Total
		31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	9,034,234	1,610,486	856,123	34,411,442	45,912,285
Less: Provision for Impairment	3,962,987	729,564	424,853	18,824,617	23,942,021
Net Balances	5,071,248	880,922	431,270	15,586,825	21,970,265
Fines:					
Gross Balances	29,127,546	-	-	-	29,127,546
Less: Provision for Impairment	23,990,163	-	-	-	23,990,163
Net Balances	5,137,384	-	-	-	5,137,384

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

As at 30 June Receivables of R16,899,017 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	38,161,781	1,610,486	856,123	34,411,442	75,039,832
Less: Provision for Impairment	27,953,149	729,564	424,853	18,824,617	47,932,183
Net Balances	10,208,631	880,922	431,270	15,586,825	27,107,648

As at 30 June 2019

	Current	Past Due			Total
	0 - 30 days	31 - 60 Days	61 - 90 Days	+ 90 Days	
Property Rates:					
Gross Balances	8,152,809	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 Receivables of R15,766,512 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

2020
R

2019
R

4.3 Reconciliation of Provision for Impairment

Balance at beginning of year	57,700,819	45,017,273
Impairment Losses recognised	(9,768,636)	12,683,546
Impairment Losses reversed	-	-
Amounts written off as uncollectable	-	-
Balance at end of year	47,932,183	57,700,819

4.3.1 Allocation for Cash Flow

Provision for Impairment at Beginning of Year	57,700,819	45,017,273
Movement in Non-cash Transactions:-		
Impairment Recognised	(9,768,636)	12,683,546
Impairment Reversed	-	-
Total Receivables from Non-exchange Transactions Impairment allocated to Non-cash Transactions	- 9,768,636	12,683,546

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Movement in Property Rates:-		
Amounts Written-off	-	-
Total Receivables from Non-exchange Transactions Impairment allocated to Property Rates	<u>-</u>	<u>-</u>
Movement in Other Receipts:-		
Amounts Written-off	-	-
Total Receivables from Non-exchange Transactions Impairment allocated to Other Receipts	<u>-</u>	<u>-</u>
Provision for Impairment at End of Year	<u>47,932,183</u>	<u>57,700,819</u>

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.

VAT RECEIVABLE

Vat Receivable	<u>65,780,872</u>	<u>46,795,893</u>
5.1 Allocation for Cash Flow		
Movement on VAT Liability	(18,984,979)	(24,082,421)
Total VAT allocated to Cash Flow	<u>(18,984,979)</u>	<u>(24,082,421)</u>

Vat is payable on the receipts basis. The municipality however uses accrual accounting, and 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. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

CASH AND CASH EQUIVALENTS

Cash on hand	421	421
Current Investments	122,294,823	200,626,600
Bank Accounts	18,737,370	13,600,946
Total Bank, Cash and Cash Equivalents	<u>141,032,614</u>	<u>214,227,967</u>

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	122,294,823	200,626,600
Total Current Investment Deposits	<u>122,294,823</u>	<u>200,626,600</u>

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 3.40 % to 10.00 % (2019: 5.00 % to 10.00 %) per annum.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
6.2 Bank Accounts		
Cash in Bank	18,737,370	13,600,946
Total Bank Accounts	<u>18,737,370</u>	<u>13,600,946</u>

The Municipality has the following operational bank accounts:

Primary Bank Account

Cash book balance at beginning of year	13,600,946	5,694,930
Cash book balance at end of year	<u>18,737,370</u>	<u>13,600,946</u>

First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540020791

Bank statement balance at beginning of year	11,217,561	524,889
Bank statement balance at end of year	<u>11,782,906</u>	<u>11,217,561</u>

First National Bank - Jeffreys bay Branch-Cheque Account Number: 52540033304

Bank statement balance at beginning of year	2,383,385	3,734,959
Bank statement balance at end of year	<u>6,954,464</u>	<u>2,383,385</u>

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	<u>421</u>	<u>421</u>

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.

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	234,365	269,124
Operating Lease - Straight lining	-	-
Operating Lease Revenue effected	(63,078)	(34,759)
Total Operating Lease Receivables	<u>171,287</u>	<u>234,365</u>

7.1 Allocation for Cash Flow

Other Receipts:-

Operating Lease Receivables - Opening Balance	234,365	269,124
Operating Lease Receivables - Closing Balance	(171,287)	(234,365)

Total Operating Lease Receivables allocated to Other Receipts	<u>63,078</u>	<u>34,759</u>
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Total Operating Lease Receivables allocated to Cash Flow	<u>63,078</u>	<u>34,759</u>
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7.2 Leasing Arrangements

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

7.3 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	360,075
2 to 5 years	1,311,975	1,311,975
More than 5 years	-	-
Total Operating Lease Arrangements	1,672,050	1,672,050

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been a decrease of R63,078 (2019: increase of R-34,759) in current year income.

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

8.1 Allocation for Cash Flow

Other Receipts:-

Current Portion of Long-term Receivables - Opening Balance	3,000	3,000
Current Portion of Long-term Receivables - Closing Balance	(3,000)	(3,000)
Total Current Portion of Long-term Receivables allocated to Other Receipts	-	-
Total Current Portion of Long-term Receivables allocated to Cash Flow	-	-

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT

30 June 2020

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2019	239,770,877	50,923,685	1,675,381,790	22,445,317	14,588,074	15,216,850	2,018,326,592
Cost	239,770,877	53,605,907	2,289,987,585	24,044,983	41,289,246	43,347,413	2,692,046,011
- Completed Assets	239,770,877	53,605,907	2,197,171,120	18,231,956	40,701,631	43,347,413	2,592,828,903
- Under Construction	-	-	92,816,465	5,813,027	587,615	-	99,217,108
Revaluation	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(392,222)	(341,978)	(3,200,201)
Accumulated Depreciation	-	(1,803,223)	(614,605,795)	(12,666)	(26,308,950)	(27,788,584)	(670,519,218)
Acquisition of Assets							
- Cost	2,950,000	-	1,176,792	-	8,165,570	13,662,214	25,954,576
- Capital Under Construction	-	-	111,477,179	-	-	-	111,477,179
- Revaluation	-	-	(0)	-	-	-	(0)
Decommissioning and other Liabilities	15,264	-	111,859	-	-	-	127,123
Increases/Decreases in Revaluation	-	-	-	-	-	-	-
Depreciation	-	(552,769)	(68,190,283)	(11,249)	(4,848,931)	(3,213,277)	(76,816,509)
Carrying value of Disposals:	-	-	(1,691,696)	-	(6,524)	(19,351)	(1,717,571)
- Cost	-	-	(3,102,874)	-	(13,849)	(177,426)	(3,294,149)
- Accumulated Depreciation	-	-	1,411,178	-	7,325	158,075	1,576,579
Impairment Losses	-	-	-	-	(49,220)	(112,979)	(162,199)
Capital under Construction - Completed	-	-	(40,380,691)	-	-	-	(40,380,691)
Other Movements	-	-	40,364,527	-	-	-	40,364,527
- Cost	-	-	40,364,527	-	-	-	40,364,527
- Transfers Received	-	-	40,364,527	-	-	-	40,364,527
- Transfers Made	-	-	-	-	-	-	-
Carrying values at 30 June 2020	242,736,141	50,370,915	1,718,249,477	22,434,068	17,848,968	25,533,458	2,077,173,028
Cost	242,736,141	53,605,907	2,399,634,377	24,044,983	49,440,967	56,832,200	2,826,294,576
- Completed Assets	242,736,141	53,605,907	2,235,721,424	18,231,956	48,853,351	56,832,200	2,655,980,979
- Under Construction	-	-	163,912,953	5,813,027	587,615	-	170,313,596
Revaluation	-	-	-	-	-	-	(0)
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(441,443)	(454,957)	(3,362,399)
Accumulated Depreciation	-	(2,355,992)	(681,384,901)	(23,915)	(31,150,556)	(30,843,785)	(745,759,148)

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2019

Reconciliation of Carrying Value

Description	Land	Buildings	Infra-structure	Community	Other	Transport Assets	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2018	239,770,877	50,643,734	1,662,750,527	22,456,565	11,755,439	13,200,495	2,000,577,638
Cost	239,770,877	51,894,187	2,209,348,917	24,044,983	35,107,156	38,011,128	2,598,177,248
- Completed Assets	239,770,877	51,894,187	2,176,701,030	18,231,956	34,519,540	38,011,128	2,559,128,718
- Under Construction	-	-	32,647,887	5,813,027	587,615	-	39,048,530
Correction of error (Note 43.)	-	-	-	-	-	-	-
Change in Accounting Policy	-	-	-	-	-	-	-
Accumulated Impairment Losses	-	-	-	(1,587,000)	(392,222)	(341,978)	(2,321,201)
Accumulated Depreciation	-	(1,250,453)	(546,598,390)	(1,418)	(22,959,494)	(24,468,655)	(595,278,409)
Acquisition of Assets	-	-	-	-	-	-	-
- Cost	-	(476,443)	196,083	-	6,345,274	5,513,711	11,578,624
- Capital Under Construction	-	-	82,734,553	-	-	-	82,734,553
Decommissioning and other Liabilities	-	-	(60,260)	-	-	-	(60,260)
Depreciation	-	(552,769)	(68,021,459)	(11,249)	(3,448,195)	(3,469,375)	(75,503,047)
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
- Transfers Received	-	2,188,163	20,377,811	-	-	-	22,565,974
- Transfers Made	-	-	-	-	-	-	-
Carrying values at 30 June 2019	239,770,877	50,923,685	1,675,381,790	22,445,317	14,588,074	15,216,850	2,018,326,592
Cost	239,770,877	53,605,907	2,289,987,585	24,044,983	41,289,246	43,347,413	2,692,046,011
- Completed Assets	239,770,877	53,605,907	2,197,171,120	18,231,956	40,701,631	43,347,413	2,592,828,903
- Under Construction	-	-	92,816,465	5,813,027	587,615	-	99,217,108
Accumulated Impairment Losses	-	(879,000)	-	(1,587,000)	(392,222)	(341,978)	(3,200,201)
Accumulated Depreciation	-	(1,803,223)	(614,605,795)	(12,666)	(26,308,950)	(27,788,584)	(670,519,218)

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
9. PROPERTY, PLANT AND EQUIPMENT (Continued)		
9.1 Allocation for Cash Flow		
Property, Plant and Equipment at Beginning of Year	2,018,326,592	2,000,577,639
Property, Plant and Equipment	1,919,109,484	1,961,529,109
Construction Work-in-Progress	99,217,108	39,048,530
Movement in Non-cash Transactions:-		
Depreciation for the Year	(76,816,509)	(75,503,047)
Impairment for the Year	(162,199)	(879,000)
Total Property, Plant and Equipment allocated to Non-cash Transactions	<u>(76,978,707)</u>	<u>(76,382,047)</u>
Purchase of Property, Plant and Equipment:-		
Acquisition of Property, Plant and Equipment	26,081,699	11,518,364
Acquisitions	25,954,576	11,578,624
Decommissioning, Restoration and Other Liabilities	127,123	(60,260)
Acquisition of Construction Work-in-Progress	71,096,488	60,168,578
Total Property, Plant and Equipment allocated to Purchase of Property, Plant and Equipment	<u>97,178,186</u>	<u>71,686,943</u>
Disposal of Property, Plant and Equipment:-		
Carrying Value of Disposals	(1,717,571)	(121,916)
Total Property, Plant and Equipment allocated to Proceeds on Disposal of Property, Plant and Equipment	<u>(1,717,571)</u>	<u>(121,916)</u>
Transfer of Property, Plant and Equipment:-		
Carrying Value of Transfers	40,364,527	22,565,974
Total Property, Plant and Equipment allocated to Suppliers Paid	<u>40,364,527</u>	<u>22,565,974</u>
Property, Plant and Equipment at End of Year	2,077,173,028	2,018,326,593
Proceeds on Disposal of Property, Plant and Equipment:-		
Disposals as per Reconciliation of Property, Plant and Equipment Note 9.1	1,717,571	121,916
Gains / Losses on Disposal of Property, Plant and Equipment Note 42.	(1,717,571)	(750,454)
Total Proceeds on Disposal of Property, Plant and Equipment allocated to Cash Flow	<u>-</u>	<u>(628,537)</u>
9.2 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.		
9.3 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.		
9.4 Assets pledged as security		
The municipality did not pledge any of its assets as security.		
9.5 Property, Plant and Equipment being rented out		
Some potential Investment Properties are recognized as PPE due to the insignificant portion being leased out.		
9.6 Impairment of Property, Plant and Equipment		
Impairment Losses on Property, Plant and Equipment to the amount of R162,199 (2019: R879,000) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 34..		
Land	-	-
Buildings	-	879,000
Other Assets: Furniture and Office Equipment	49,220	-
Transport Assets	112,979	-
Total Impairment of Property, Plant and Equipment	<u>162,199</u>	<u>879,000</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9.7 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There was no change (2018/19: R0) in the estimated useful life of various assets of the municipality for the financial year.

9.8 Land and Buildings carried at Cost

The municipality's Land and Buildings are accounted for according to the cost model and therefore no fair value was determined for the year under review.

9.9 Delayed Projects

Project Details	Delayed or Halted		
Community Asset	Delayed	5,813,027	5,813,027
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area		-	-
Other Assets	Delayed	587,615	587,615
Reason: The projects was delayed due to COVID 19 and the Drought disaster in the Kouga Area			
Total Carrying Amounts of Delayed or Halted Projects		6,400,642	6,400,642

9.10 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:

Electrical Infrastructure			9,819,954	5,941,124
- Contracted Services	2,043,287	2,889,238		
- Inventory Consumed	7,680,626	2,902,021		
- Other Operational Costs	96,041	149,865		
Roads Infrastructure			25,495,148	16,031,616
- Contracted Services	18,685,600	11,535,222		
- Inventory Consumed	5,299,599	3,887,571		
- Other Operational Costs	1,509,949	608,823		
Sanitation Infrastructure			3,207,749	3,249,016
- Contracted Services	1,660,904	1,716,531		
- Inventory Consumed	1,110,962	1,041,668		
- Other Operational Costs	435,883	490,817		
Solid Waste Disposal			1,538,237	84,147
- Contracted Services	1,500,483	84,147		
- Other Operational Costs	37,754	-		
Storm water Infrastructure			726,282	773,977
- Contracted Services	79,464	46,344		
- Inventory Consumed	499,260	544,892		
- Other Operational Costs	147,559	182,741		
Water Supply Infrastructure			2,956,702	3,043,705
Community Assets			4,362,399	2,920,636
Machinery and Equipment			318,266	364,780
Other Assets - Buildings			1,965,669	5,169,718
Transport Assets			9,898,657	8,680,420
Total Expenditure related to Repairs and Maintenance Projects			60,289,063	46,259,139

KUGGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
10. INTANGIBLE ASSETS		
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	679,541	243,850
The movement in Intangible Assets is reconciled as follows:		
	Software Purchased	Total
Carrying values at 01 July 2019	243,849	243,849
Cost	623,643	623,643
Accumulated Amortisation	(379,794)	(379,794)
Acquisitions:	552,742	552,742
Purchased	552,742	552,742
Amortisation:	(117,051)	(117,051)
Purchased	(117,051)	(117,051)
Internally Developed	-	-
Carrying values at 30 June 2020	679,540	679,540
Cost	1,176,385	1,176,385
Accumulated Amortisation	(496,845)	(496,845)
	Software Purchased	Total
Carrying values at 01 July 2018	301,769	301,769
Cost	575,905	575,905
Accumulated Amortisation	(274,136)	(274,136)
Acquisitions:	47,738	47,738
Amortisation:	(105,658)	(105,658)
Purchased	(105,658)	(105,658)
Carrying values at 30 June 2019	243,849	243,849
Cost	623,643	623,643
Accumulated Amortisation	(379,794)	(379,794)
10.1 Allocation for Cash Flow		
Intangible Assets at Beginning of Year	243,850	301,768
Movement in Non-cash Transactions:-		
Amortisation for the Year	(117,051)	(105,658)
Total Intangible Assets allocated to Non-cash Transactions	(117,051)	(105,658)
Purchase of Intangible Assets:-		
Acquisition of Intangible Assets	552,742	47,739
Total Intangible Assets allocated to Purchase of Intangible Assets	552,742	47,739
Intangible Assets at End of Year	679,541	243,850

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 33.).

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.

Refer to Appendix "B" for more detail on Intangible Assets.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

10.2 Significant Intangible Assets

Significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 102 and SIC 32, are the following:

(i) Website Costs incurred during the last two financial years, if applicable, have been expensed and not recognised as Intangible Assets. The municipality cannot demonstrate how its website will generate probable future economic benefits.

10.3 Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

The useful lives of the Intangible Assets remain unchanged from the previous year.

10.4 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

10.5 Work-in-Progress

The municipality had no capital projects for Intangible Assets which were not completed at year-end.

10.6 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

INVESTMENT PROPERTY

At Cost less Accumulated Depreciation

<u>242,551,944</u>	<u>242,551,944</u>
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The movement in Investment Property is reconciled as follows:

Carrying values at 1 July

Cost

<u>242,551,944</u>	<u>242,551,944</u>
242,551,944	242,551,944

Acquisitions during the Year

Cost

-	-
-	-

Carrying values at 30 June

Cost

<u>242,551,944</u>	<u>242,551,944</u>
242,551,944	242,551,944

11.1 Allocation for Cash Flow

Investment Property at Beginning of Year

242,551,944	242,551,944
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Total Investment Property allocated to Non-cash Transactions

-	-
---	---

Total Investment Property allocated to Purchase of Investment Property

-	-
---	---

Total Investment Property allocated to Suppliers Paid

-	-
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Investment Property at End of Year

<u>242,551,944</u>	<u>242,551,944</u>
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KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

Rental Revenue earned from Investment Property	-	-
Direct Operating Expenses - incurred to generate rental revenue	-	-
Direct Operating Expenses - incurred which did not generate rental revenue	-	-

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

11.2 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.

11.3 Impairment of Investment Property

No impairment losses have been recognised on Investment Property of the municipality at the reporting date.

11.4 Work-in-Progress

The municipality had no capital projects for Investment Property which were not completed at year-end.

11.5 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
12. LONG-TERM RECEIVABLES		
Staff Related Long Term Receivables	13,000	16,1
Total Long Term Receivables	<u>13,000</u>	<u>16,1</u>
Less: Current Portion transferred to Current Receivables:- Staff Related Long Term Receivables	3,000 <u>3,000</u>	3,1 <u>3,1</u>
Staff Related Long Term Receivables Non-Current Portion of Long Term Receivables	<u>10,000</u> <u>10,000</u>	<u>13,1</u> <u>13,1</u>
12.1 Allocation for Cash Flow		
<i>Decrease / (Increase) in Long-term Receivables:-</i>		
Long-term Receivables - Opening Balance	13,000	16,1
Long-term Receivables - Closing Balance	(10,000)	(13,1)
Total Long-term Receivables allocated to Decrease / (Increase) in Long-term Receivables	<u>3,000</u>	<u>3,1</u>
Total Long-term Receivables allocated to Cash Flow	<u>3,000</u>	<u>3,1</u>

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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
13. CONSUMER DEPOSITS		
Electricity	10,835,939	10,563,805
Water	1,821,417	1,728,648
Other Deposits:-	5,418,508	5,085,670
Total Consumer Deposits	18,075,864	17,378,122
13.1 Allocation for Cash Flow		
Service Charges:-		
Consumer Deposits: Trading Services - Opening Balance	(12,292,453)	(11,198,105)
Consumer Deposits: Trading Services - Closing Balance	12,657,356	12,292,453
Total Consumer Deposits allocated to Service Charges	364,903	1,094,348
Other Receipts:-		
Consumer Deposits: Other Services - Opening Balance	(5,085,670)	(4,042,764)
Consumer Deposits: Other Services - Closing Balance	5,418,508	5,085,670
Total Consumer Deposits allocated to Other Receipts	332,839	1,042,906
Total Consumer Deposits allocated to Cash Flow	697,742	2,137,254
CONSUMER DEPOSITS - LAND SALES		
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.		
No interest is paid on Consumer Deposits held.		
14. PROVISIONS		
Performance Bonus	2,395,065	2,296,662
Current Portion of Employee Benefit Liabilities:	5,921,037	5,531,692
Post-retirement Medical Aid Benefits Liability	3,176,023	2,982,243
Post-retirement Pension Benefits Liability	21,249	21,048
Long-term Service Liability	2,723,765	2,528,401
Current Portion of Non-Current Provisions:	24,778,557	21,820,446
Decommissioning, Restoration and Similar Liabilities: Landfill Sites	3,547,270	2,793,944
Environmental Cleanup	1,036,522	2,000,000
Leave	20,194,765	17,026,502
Total Provisions	33,094,658	29,648,800
14.1 Allocation for Cash Flow		
Provisions at Beginning of Year	29,648,800	24,504,611
Movement in Non-cash Transactions:-		
Provisions	3,251,877	5,284,899
Defined Benefit Obligations	3,197,272	3,003,291
Total Provisions allocated to Non-cash Transactions	6,449,149	8,288,190
Movement in Employee Related Costs:-		
Provisions: Reductions (Outflow of Economic Benefits)	-	-
Defined Benefit Obligations: Actual Benefit Payments	(3,003,291)	(3,144,000)
Total Provisions allocated to Employee Related Costs	(3,003,291)	(3,144,000)
Provisions at End of Year	33,094,659	29,648,800
Current Provisions:		

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Performance Bonus:		
Opening Balance	2,296,662	1,220,196
Increases	98,403	1,076,466
Balance at end of year	<u>2,395,065</u>	<u>2,296,662</u>

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 R	Pension Fund R
30 June 2020		
Opening Balance	2,982,243	21,048
Reversals	-	-
Interest cost	-	-
Current service cost	3,176,023	21,249
Actual employer benefit payments	(2,982,243)	(21,048)
Actuarial loss/ (gain) recognised in the year	-	-
Balance at end of year	<u>3,176,023</u>	<u>21,249</u>

	Medical Aid R	Pension Fund R
30 June 2019		
Opening Balance	3,083,000	61,000
Reversals	-	-
Interest cost	-	-
Current service cost	2,982,243	21,048
Actual employer benefit payments	(3,083,000)	(61,000)
Actuarial loss/ (gain) recognised in the year	-	-
Balance at end of year	<u>2,982,243</u>	<u>21,048</u>

Current Portion of Non-Current Provisions:

Staff Benefit Provisions:

	Leave Provision R	Long-term Service R
30 June 2020		
Opening Balance	17,026,502	2,528,401
Increases	3,168,263	2,723,765
Payments Made	-	-
Reversals	-	(2,528,401)
Balance at end of year	<u>20,194,765</u>	<u>2,723,765</u>

	Leave Provision R	Long-term Service R
30 June 2019		
Opening Balance	14,966,764	2,003,000
Increases	2,059,738	2,528,401
Payments Made	-	-
Reversals	-	(2,003,000)
Balance at end of year	<u>17,026,502</u>	<u>2,528,401</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Other Operational Provisions:		
	Environmental Cleanup	Decommissioning of Landfill Sites
	R	R
30 June 2020		
Opening Balance	2,000,000	2,793,944
Increases	-	3,547,270
Payments Made	-	-
Reversals	(963,478)	(2,793,944)
Balance at end of year	1,036,522	3,547,270
	Environmental Cleanup	Decommissioning of Landfill Sites
	R	R
30 June 2019		
Opening Balance	500,000	2,670,650
Increases	1,500,000	2,793,944
Payments Made	-	-
Reversals	-	(2,670,650)
Balance at end of year	2,000,000	2,793,944

Environmental Clean-up Illegal dumping of builders and other rubble is taken place throughout the Kouga area to the municipality's property. Contrary to S19A of Environmental Conservation Act, 73 (No 73 of 19 89), the municipality has not cleared the illegal dumping and other rubble. The municipality has accounted for a provision for the cost of clearing of builders and other rubble as required by GRAP 19.

Leave Provision Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Long Service Award Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries annually and the corresponding liability is raised.

5. PAYABLES FROM EXCHANGE TRANSACTIONS

Bonus	-	-
Other Payables	10,646,509	15,855,564
Retentions	3,349,136	2,539,496
Salary Related Payables	816,076	695,462
Trade Creditors	112,202,790	53,335,629
Advance Payments	16,092,821	14,956,402
Total Payables	143,107,331	87,382,553

15.1 Allocation for Cash Flow

Service Charges:-

Advance Payments	1,136,418	-	1,173,049
Control, Clearing and Interface Accounts: Prepaid Electricity	0	-	818,226
Total Payables from Exchange Transactions allocated to Service Charges	1,136,419	(354,822)	

Other Receipts:-

Unallocated Deposits	-	5,445,894	-	259,234
Total Payables from Exchange Transactions allocated to Other Receipts	(5,445,894)	(259,234)		

Employee Related Costs:-

Bonus	-	86,664
Compensation Commission (COLD)	-	-
Control, Clearing and Interface Accounts: Salary Clearing and Control	11,953,994	1,184,437
Leave Accrual	-	-
Long Service Award	12,036,228	131,838
Overtime	-	-
PAYE Deductions	38,380	4,316
Total Payables from Exchange Transactions allocated to Employee Related Costs	1,305,051	223,796

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Suppliers Paid:-		
Auditor-General of South Africa	-	43,254
Bulk Water	-	59,693,978
Control, Clearing and Interface Accounts: Goods Received / Invoives Received	2,364	5,839,846
Control, Clearing and Interface Accounts: Inventory Stores	-	-
Electricity Bulk Purchase	3,192,220	1,366,531
Payables and Accruals	115,412,173	3,579,960
Retentions	809,640	203,719
Total Payables from Exchange Transactions allocated to Suppliers Paid	<u>59,679,166</u>	<u>16,125,846</u>
Other Payments:-		
Affiliates, Related Parties and Associated Companies	-	0
Control, Clearing and Interface Accounts: Cash and Bank	-	949,963
Total Payables from Exchange Transactions allocated to Other Payments	<u>(949,964)</u>	<u>931,742</u>
Total Payables from Exchange Transactions allocated to Cash Flow	<u>55,724,778</u>	<u>16,667,327</u>

PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Transfers and subsidies	235,741	-
Non-Exchange Receivables with Credit Balances	-	-
Total Payables	<u>235,741</u>	<u>-</u>

16.1 Allocation for Cash Flow

Other Payments:-		
Payables from Non-exchange Transactions - Opening Balance	-	-
Payables from Non-exchange Transactions - Closing Balance	235,741	-
Total Payables from Non-exchange Transactions allocated to Other Payments	<u>235,741</u>	<u>-</u>
Total Payables from Non-exchange Transactions allocated to Cash Flow	<u>235,741</u>	<u>-</u>

No credit period exists for Payables from Non-exchange Transactions, neither has any credit period been arranged.
No interest is charged on outstanding amounts.

UNSPENT CONDITIONAL GRANTS AND RECEIPTS

National Government	26,927,177	98,082,838
Provincial Government	-	5,362,711
Total Conditional Grants and Receipts	<u>26,927,177</u>	<u>103,445,548</u>

17.1 Allocation for Cash Flow

Transfers and Subsidies:-		
Unspent Conditional Grants and Receipts - Opening Balance	-	103,445,548
Unspent Conditional Grants and Receipts - Closing Balance	26,927,177	103,445,548
Total Unspent Conditional Grants and Receipts allocated to Transfers and Subsidies	<u>-</u>	<u>76,518,371</u>
Total Unspent Conditional Grants and Receipts allocated to Cash Flow	<u>-</u>	<u>76,518,371</u>

The Unspent Conditional Grants and Receipts are invested in investment accounts until utilised.

See Note 25 for the reconciliation of Grants from Government and other sources. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
18. LONG-TERM LIABILITIES		
Long-Term Liabilities	16,354,408	25,420,948
Development Bank of South Africa	15,090,289	23,089,162
Finance Lease Liability	1,264,119	2,331,786
Less: Current Portion transferred to Current Liabilities:-	(9,607,597)	(9,066,539)
Development Bank of South Africa	(8,961,975)	(7,998,872)
Finance Lease Liability	(645,622)	(1,067,666)
Non-Current Portion of Long-term Liabilities	6,746,811	16,354,409
18.1 Allocation for Cash Flow		
18.1.1 Current Portion:-		
Movement in Current Portion of Long-term Liabilities:-		
Current Portion of Long-term Liabilities - Opening Balance	(9,066,539)	(8,944,035)
Current Portion of Long-term Liabilities - Closing Balance	9,607,597	9,066,539
Total Movement in Current Portion of Long-term Liabilities	541,058	122,504
Total Short-term Loans allocated to Repayment of Borrowings	541,058	122,504
18.1.2 Non-current Portion:-		
Movement in Non-current Long-term Liabilities:-		
Non-current Long-term Liabilities - Opening Balance	(16,354,409)	(23,600,396)
Non-current Long-term Liabilities - Closing Balance	6,746,811	16,354,409
18.2 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 %.		
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.		
18.3 Obligations under Borrowings		
Annuity and Bullet Loans	6,128,314	15,090,290
Current Portion transferred to Current Liabilities:-	8,961,975	7,998,872
Total Borrowings	15,090,289	23,089,162

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18.4 Obligations under Leases

The Municipality as Lessee:

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2020	2019	2020	2019
	R	R	R	R
Amounts payable under borrowings:				
Within one year	795,355	1,330,082	645,622	1,067,666
In the second to fifth years, inclusive	662,796	1,458,151	618,493	1,264,123
Over five years	-	-	-	-
	<u>1,458,151</u>	<u>2,788,233</u>	<u>1,264,115</u>	<u>2,331,789</u>
Less: Future Finance Obligations	194,036	456,444		
Present Value of Minimum Lease Obligations	<u>1,264,115</u>	<u>2,331,789</u>	<u>1,264,115</u>	<u>2,331,789</u>
(i) Various photocopier, computers and fax machines			1,264,119	2,331,789
Installments are payable monthly				
Average period outstanding			12month	24month
Average effective interest rate			15.33%	15.33%
Average capital redemption per month over the period leased			52,860	94,437

EMPLOYEE BENEFIT LIABILITIES

Employee Benefit Liabilities

Post-retirement Health Care Benefits Liability	92,176,876	100,339,109
Post-retirement Pension Benefits Liability	75,535,567	83,222,393
Long Service Awards Liability	151,045	179,207
	<u>16,490,264</u>	<u>16,937,509</u>

Less: Current Portion of Employee Benefit Liabilities

Post-retirement Health Care Benefits Liability	5,921,037	5,531,692
Post-retirement Pension Benefits Liability	3,176,023	2,982,243
Long Service Awards Liability	21,249	21,048
	<u>2,723,765</u>	<u>2,528,401</u>

Non-Current Portion of Employee Benefit Liabilities

	<u>86,255,839</u>	<u>94,807,417</u>
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19.1 Allocation for Cash Flow

Employee Benefit Liabilities at Beginning of Year

Long-service Awards	94,807,417	96,300,999
Medical	14,409,108	12,289,000
Pension	80,240,150	83,296,999
	<u>158,159</u>	<u>715,000</u>

Movement in Non-cash Transactions:-

Long-service Awards	1,885,792	4,123,108
Post Retirement Health Care	(4,704,583)	(74,606)
Post Retirement Pension	(7,114)	(535,793)
	<u>(2,825,905)</u>	<u>3,512,709</u>

Total Employee Benefit Liabilities allocated to Non-cash Transactions

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
Movement in Employee Related Costs:-		
Long-service Awards: Reductions (Outflow of Economic Benefits)	(2,528,401)	(2,003,000)
Post Retirement Health Care: Actual employer benefit payments	(2,982,243)	(3,083,000)
Defined Benefit Obligations: Actual Benefit Payments	-	-
Total Employee Benefit Liabilities allocated to Employee Related Costs	<u>(5,510,644)</u>	<u>(5,086,000)</u>
Employee Benefit Liabilities at End of Year	<u>86,470,868</u>	<u>94,727,708</u>

19.2 Post-retirement Health Care Benefits Liability

Opening balance	83,222,393	86,379,999
Interest cost	7,767,684	-
Current service cost	3,821,493	(74,606)
Actual employer benefit payments	(2,982,243)	(3,083,000)
Actuarial loss/ (gain) recognised in the year	(16,293,760)	-
Balance at end of Year	<u>75,535,567</u>	<u>83,222,393</u>
Transfer to Current Provisions	3,176,023	2,982,243
Total Post-retirement Health Care Benefits Liability	<u>72,359,544</u>	<u>80,240,150</u>

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 2020 by One Pangaea Expertise & Solutions. 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:

In-service Members (Employees)	438	416
In-service Non-members (Employees)	-	-
Continuation Members (Retirees, widowers and orphans)	71	69
Total Members	<u>509</u>	<u>485</u>

The liability in respect of past service has been estimated as follows:

In-service Members	36,187,184	42,352,442
In-service Non-members	-	-
Continuation Members	39,348,384	40,869,951
Total Liability	<u>75,535,567</u>	<u>83,222,393</u>

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 2020 is estimated to be R3,821,493, whereas the cost for the ensuing year is estimated to be R3,821,493 (30 June 2019: R4,029,000 and R3,821,493 respectively).

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R			
The principal assumptions used for the purposes of the actuarial valuations were as follows:					
Discount Rate	13.69%	9.50%			
Health Care Cost Inflation Rate	9.41%	6.92%			
Net Effective Discount Rate	3.91%	2.41%			
Expected Retirement Age - Females	62	62			
Expected Retirement Age - Males	62	62			
Movements in the present value of the Defined Benefit Obligation were as follows:					
Opening balance	83,222,393	86,379,999			
Interest cost	7,767,684	8,306,000			
Current service cost	3,821,493	4,029,000			
Actual employer benefit payments	-	-			
Benefits paid	(2,982,243)	(3,083,000)			
Actuarial losses / (gains)	(16,293,760)	(12,409,606)			
Total Recognised Benefit Liability	75,535,567	83,222,393			
The amounts recognised in the Statement of Financial Position are as follows:					
Present value of fund obligations	75,535,567	83,222,393			
Fair value of plan assets	-	-			
	75,535,567	83,222,393			
Present value of unfunded obligations	-	-			
Unfunded Accrued Liability	75,535,567	83,222,393			
Restrictions on asset recognised	-	-			
Fair value of reimbursement rights recognised	-	-			
Total Benefit Liability	75,535,567	83,222,393			
The amounts recognised in the Statement of Financial Performance are as follows:					
Current service cost	3,821,493	8,306,000			
Interest cost	7,767,684	4,029,000			
Actuarial losses / (gains)	(16,293,760)	(12,409,606)			
Total Post-retirement Benefit included in Employee Related Costs (Note 31.)	(4,704,583)	(74,606)			
The history of fair values are as follows:					
	2020 R	2019 R	2018 R	2017 R	2016 R
Present Value of Defined Benefit Obligation	75,535,567	83,222,393	86,379,999	82,973,999	80,918,999
Fair Value of Plan Assets	-	-	-	-	-
Deficit	75,535,567	83,222,393	86,379,999	82,973,999	80,918,999
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				15,565,243	14,731,000
Effect on the defined benefit obligation				86,136,671	97,574,000
Decrease:					
Effect on the aggregate of the current service cost and the interest cost				11,755,460	10,427,000
Effect on the defined benefit obligation				66,738,349	71,736,000
The municipality expects to make a contribution of R3,395,000 (2019: R3,744,000) to the Defined Benefit Plans during the next financial year.					

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Refer to Note 49, "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.

19.3 Post-retirement Pension Benefits Liability

Opening balance	179,207	776,000
Interest cost	13,021	71,000
Actual employer benefit payments	(21,048)	(61,000)
Actuarial loss/ (gain) recognised in the year	(20,135)	(606,793)
Balance at end of Year	151,045	179,207
Transfer to Current Provisions	21,249	21,048
Total Post-retirement Pension Benefits Liability	129,796	158,159

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 (which 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 2020 One Pangaea Expertise and Solutions a 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	7.41%	7.71%
Health Care Cost Inflation Rate	2.57%	4.09%
Net Effective Discount Rate	4.72%	3.48%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening balance	158,159	715,000
Interest cost	13,021	71,000
Current service cost	(21,249)	(21,048)
Actual employer benefit payments	-	-
Actuarial loss/ (gain) recognised in the year	(20,135)	(606,793)
Actuarial losses / (gains)	-	-

Total Recognised Benefit Liability

129,796	158,159
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The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	129,796	158,159
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Total Benefit Liability

129,796	158,159
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The amounts recognised in the Statement of Financial Performance are as follows:

Interest cost	13,021	71,000
Actuarial losses / (gains)	-	-
Total Post-retirement Benefit included in Employee Related Costs (Note 4)	13,021	71,000

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 history of experienced adjustments is as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Present Value of Defined Benefit Obligation	129,796	158,159	715,000	742,000	924,000
Deficit	129,796	158,159	715,000	742,000	924,000

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	11,186	69,000
Effect on the defined benefit obligation	143,637	170,228

Decrease:

Effect on the aggregate of the current service cost and the interest cost	9,528	68,000
Effect on the defined benefit obligation	159,265	189,204

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
19.4 Long Service Awards Liability		
Opening Balance	16,937,509	14,292,000
Increases	3,072,003	4,648,509
Payments Made	(2,528,401)	(2,003,000)
Other Reductions	(990,847)	-
Balance at end of Year	<u>16,490,264</u>	<u>16,937,509</u>
Transfer to Current Provisions	2,723,765	2,528,401
Total Long Service Awards Liability	<u>13,766,499</u>	<u>14,409,108</u>

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 2020 by One Pangaea Expertise and Solutions. 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, 852 (2019: 857) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2020 is estimated to be R0, whereas the cost for the ensuing year is estimated to be R3,821,493 (30 June 2019: R0 and R0 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.73%	8.03%
Cost Inflation Rate	4.57%	5.49%
Net Effective Discount Rate	3.94%	2.41%
Expected Rate of Salary Increase	6.25%	6.50%
Expected Retirement Age - Females	62	62
Expected Retirement Age - Males	62	62

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening Balance	16,937,509	14,292,000
Interest cost	-	-
Current service cost	(2,723,765)	-
Actuarial loss/ (gain) recognised in the year	4,804,921	4,648,509
Benefits paid	(2,528,401)	(2,003,000)
Total Recognised Benefit Liability	<u>16,490,264</u>	<u>16,937,509</u>

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	16,490,264	16,937,509
	<u>16,490,264</u>	<u>16,937,509</u>
Present value of unfunded obligations	-	-
Unfunded Accrued Liability	16,490,264	16,937,509
Total Benefit Liability	<u>16,490,264</u>	<u>16,937,509</u>

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	5,795,768	4,648,509
Interest cost	-	-
Total Post-retirement Benefit included in Employee Related Costs (Note 31.)	<u>5,795,768</u>	<u>4,648,509</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The history of experienced adjustments is as follows:

	2020 R	2019 R	2018 R	2017 R
Present Value of Defined Benefit Obligation	16,490,264	16,937,509	14,292,000	13,110,000
Deficit	16,490,264	16,937,509	14,292,000	13,110,000

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

	R	R
Increase:		
Effect on the aggregate of the current service cost and the interest cost	3,117,863	2,398,000
Effect on the defined benefit obligation	15,692,185	16,034,000
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	3,164,217	2,399,000
Effect on the defined benefit obligation	17,371,225	17,944,000

The municipality expects to make a contribution of R2 723 765 (2019: R5,795,768) to the defined benefit plans during the next financial year.

10. NON-CURRENT PROVISIONS

Decommissioning, Restoration and Similar Liabilities: Landfill Sites	72,316,640	68,585,204
Decommissioning, Restoration and Similar Liabilities: Non-specific	-	52,200

Total Non-current Provisions	72,316,640	68,637,404
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20.1 Allocation for Cash Flow

Non-current Provisions at Beginning of Year	68,637,404	65,679,934
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Movement in Non-cash Transactions:-

Decommissioning, Restoration and Similar Liabilities	3,731,436	2,957,470
Decommissioning, Restoration and Similar Liabilities: Non-specific	(52,200)	-

Non-current Provisions at End of Year	72,316,640	68,637,404
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	Decommissioning of Non-Specific R	Decommissioning of Landfill Sites R
30 June 2020		
Opening Balance	52,200	68,585,204
Finance Charges	-	3,211,375
Payments Made	(52,200)	-
Increases (Passage of Time/Discounted Rate)	-	520,061
Balance at end of year	-	72,316,640

	Decommissioning of Non-Specific R	Decommissioning of Landfill Sites R
30 June 2019		
Opening Balance	52,200	65,627,734
Finance Charges	-	3,141,024
Other Reductinos	-	(183,554)
Balance at end of year	52,200	68,585,204

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
21. ACCUMULATED SURPLUS		
Accumulated Surplus / (Deficit) due to the results of Operations	2,213,698,943	2,190,141,228
Total Accumulated Surplus	<u>2,213,698,943</u>	<u>2,190,141,228</u>

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

22. PROPERTY RATES

	Actual Levies July 2020 R000's	July 2019 R000's
Property Rates:		
Property Rates Levies	197,544,135.51	184,331,307.76
Total Property Rates	<u>197,544,136</u>	<u>184,331,308</u>

22.1 Calculation of Cash Flow:

Property Rates Income	Note 22.	197,544,136	184,331,308
Non-exchange Interest Earned	Note 29.1	1,649,323	1,325,934
Cash Flow from Non-exchange Receivables	Note 4.1	(7,765,424)	(2,303,609)
Total Receipts for Property Rates		<u>191,428,034</u>	<u>183,353,633</u>

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 (2018/19: 0,0072 c/R)
Business Properties: 0,0081 c/R (2018/19: 0,0075 c/R)
Agricultural Properties: 0,0020 c/R (2018/19: 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 recipients receives an additional R85,000 rebate on property value.

23. FINES, PENALTIES AND FORFEITS

Traffic Fines:	20,110,864	20,856,720
Municipal	(186,010)	4,221,605
Service Provider	20,296,873	16,635,116
Other Fines:	277,421	477,063
Building	216,812	311,014
Overdue Books Fine	1,609	2,049
Pound Fees	59,000	164,000
Total Fines, Penalties and Forfeits	<u>20,388,284</u>	<u>21,333,783</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
24. LICENCES AND PERMITS		
Boat	4,535,150	3,928,170
Health Certificates	5,740	5,980
Road and Transport:	6,323,486	11,693,690
Drivers Licence Application/Duplicate Drivers Licences	2,593,358	3,235,822
Drivers Licence Certificate	34,674	4,336,184
Learners Certificate	700,477	1,177,061
Motor Vehicle Licence	2,251,824	1,970,432
Operators and Public Drivers Permits	743,153	974,192
Trading	202,124	164,947
Total Licences and Permits	11,066,499	15,792,788
25. TRANSFERS AND SUBSIDIES RECEIVED		
Capital Grants	126,693,735	94,020,455
Monetary Allocations	126,359,845	94,020,455
Operational Grants	134,340,859	122,879,370
Monetary Allocations	134,340,859	122,879,370
Total Transfers and Subsidies Received	261,034,594	216,899,825
25.1 Allocation for Cash Flow:		
Transfers and Subsidies Received	261,034,594	216,899,825
Total Transfers and Subsidies Received allocated to Cash Flow	261,034,594	216,899,825
25.2 Calculation of Cash Flow:		
Government Grants and Subsidies Income	261,034,594	216,899,825
Cash Flow from Unspent Government Grants	(76,518,371)	96,504,040
Total Receipts for Government Grants and Subsidies	184,516,223	313,403,865
25.3 Summary of Grants:		
25.3.1 Capital Grants		
	Monetary Allocations	
	2020	2019
District Municipalities	713,585	983,093
National Governments	125,646,260	93,037,362
Total Capital Grants Received	126,359,845	94,020,455
25.3.2 Operational Grants		
	Monetary Allocations	
	2020	2019
District Municipalities	2,619,200	3,332,186
National Governments	4,669,401	4,346,184
National Revenue Fund	124,938,000	113,151,000
Provincial Government	2,114,259	2,050,000
Total Operational Grants Received	134,340,859	122,879,370

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
25.3.3 Equitable Share		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	124,938,000	113,151,000
Transferred to Revenue	(124,938,000)	(113,151,000)
Unspent Balance at the End of the Year	-	-

In terms of the Constitution, the grant is used to subsidise the provision of basic services to indigent community members. This grant is unconditional.

25.3.4 National: EPWP Grant

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,000,000	1,013,000
Conditions Met - Transferred to Revenue	(1,000,000)	(1,013,000)
Unspent Balance at the End of the Year	-	-

The Expanded Public Works Programme Grant was allocated to the municipality for environmental projects. No funds has been withheld.

25.3.5 National: FMG Grant

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,770,000	1,770,000
Transferred to Revenue	(1,770,000)	(1,770,000)
Unspent Balance at the End of the Year	-	-

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.

25.3.6 National: MIG Funds

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	37,996,000	31,186,000
Conditions Met - Transferred to Revenue	(25,490,006)	(31,186,000)
Unspent Balance at the End of the Year	12,505,994	-

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.

25.3.7 National: WSIG Funds

Unspent Balance at the Beginning of the Year	98,017,338	-
Current Year Receipts	10,000,000	151,228,000
Conditions Met - Transferred to Revenue	(93,701,658)	(53,210,662)
Unspent Balance at the End of the Year	14,315,680	98,017,338

The Water Services Infrastructure Grant is allocated to municipalities to assist in drought relief.

25.3.8 National: Department of economic development

Unspent Balance at the Beginning of the Year	65,500	65,500
Current Year Receipts	-	-
Transferred to Revenue	-	-
Unspent Balance at the End of the Year	65,500	65,500

No funds have been withheld.

25.3.9 Intergrated National Electrification Grant

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	3,202,000	10,200,000
Conditions Met - Transferred to Revenue	(3,202,000)	(10,200,000)
Unspent Balance at the End of the Year	-	-

Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
25.3.10 Energy Efficiency Grant		
Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	4,000,000	-
Conditions Met - Transferred to Revenue	(3,959,997)	-
Unspent Balance at the End of the Year	40,003	-

Expenses were incurred to promote rural development and upgrade electricity infrastructure. No funds have been withheld.

25.3.11 Disaster Grant

Unspent Balance at the Beginning of the Year	-	-
Current Year Receipts	1,192,000	1,090,000
Transferred to Revenue	(1,192,000)	(1,090,000)
Unspent Balance at the End of the Year	-	-

This is an unconditional grant and was received from Sarah Baartman District Municipality.

The is the Greenest Municipality Award is to assist KOUGA Municipality to comply with the NEMA legislation as well as practically introducing and sustaining projects that aims to conserve and protect the environment.

26.4.13 Provincial: Department Human Settlement (Houses)

Balance unspent at the beginning of the year	5,362,710	6,876,008
Current year receipts	868,905	1,206,273
Conditions met - transferred to Revenue: Operating Expenses	-6,231,615	-2,719,571
Conditions still to be met - transferred to Liabilities	0	5,362,710

This grant is for the building of low cost housing. The municipality is only the agent of the department of Human Settlement for the constructoin of low cost houses. No funds have been withheld.

SERVICE CHARGES

Sale of Electricity	245,438,346	242,848,390
Sale of Water	73,768,737	75,590,711
Refuse Removal	51,351,251	50,819,126
Sewerage and Sanitation Charges	49,950,667	44,022,707
Total Service Charges	420,509,001	413,280,935

26.1 Calculation of Cash Flow:

Service Charges Income	Note 26.	420,509,001	413,280,935
Exchange Interest Earned	Note 29.1	6,926,805	6,962,074
Cash Flow from Exchange Receivables	Note 3.1	(10,579,816)	(21,345,634)
Cash Flow from Consumer Deposits	Note 13.1	364,903	1,094,348
Cash Flow from Exchange Payables	Note 15.1	1,136,419	(354,822)
Exchange Receivables: Amounts written-off as uncollectable	Note 3.3.1	(27,074,824)	(6,854,892)
Bad Debt Written-off	Note 34.4	- 40,374,879	- 7,715,986
Total Receipts for Service Charges		350,907,608	385,066,022

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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
27. SALES OF GOODS AND RENDERING OF SERVICES		
Application Fees for Land Usage	601,929	428,178
Building Plan Approval	2,336,905	2,352,796
Camping Fees	1,986,091	2,050,842
Cemetery and Burial	365,039	322,105
Cleaning and Removal	6,128	2,631
Encroachment Fees	5,957	14,313
Fire Services	20,442	17,634
Legal Fees	544,029.00	182,591
Other Revenue - Unidentified Deposits	4,594,415	-
Photocopies and Faxes	76,579	67,508
Removal of Restrictions	321,879	248,770
Sale of Goods	36,478	71,478
Scrap, Waste & Other Goods	-	765
Town Planning and Servitudes	5,530	79,276
Valuation Services	208,887	332,125
Total Sales of Goods and Rendering of Services	11,110,286	6,171,011
28. RENTAL FROM FIXED ASSETS		
Straight-lined Operating Lease Revenue		
Investment Property	-	-
Other Fixed Assets:	697,437	609,214
Property Plant and Equipment	697,437	609,214
Total Rental of Facilities and Equipment	697,437	609,214
Rental income generated are at market related premiums. All rental income recognised is therefore market related.		
29. INTEREST, DIVIDENDS AND RENT ON LAND EARNED		
Non-exchange Receivables:		
Outstanding Billing Debtors	1,649,323	1,325,934
Total Non-exchange Interest, Dividends and Rent on Land Earned	1,649,323	1,325,934
External Investments:		
Bank Account	1,187,596	2,034,071
Investments	10,469,623	9,912,622
	11,657,220	11,946,693
Outstanding Exchange Receivables:		
Outstanding Billing Debtors	6,926,805	6,962,074
Electricity	749,081	410,154
Service Charges	67,973	68,823
Waste Management	2,251,788	2,366,575
Waste Water Management	1,234,385	1,299,326
Water	2,623,578	2,817,196
	6,926,805	6,962,074
Total Exchange Interest, Dividends and Rent on Land Earned	18,584,025	18,908,767
Total Interest, Dividends and Rent on Land Earned	20,233,348	20,234,700

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
29.1 Allocation for Cash Flow:		
Property Rates:-		
Interest on Outstanding Non-exchange Receivables	1,649,323	1,325,934
Total Interest, Dividends and Rent on Land Earned allocated to Property Rates	<u>1,649,323</u>	<u>1,325,934</u>
Service Charges:-		
Interest on Outstanding Exchange Receivables	6,926,805	6,962,074
Total Interest, Dividends and Rent on Land Earned allocated to Service Charges	<u>6,926,805</u>	<u>6,962,074</u>
External Interest and Dividends Received:-		
Interest on External Investments	11,657,220	11,946,693
Total Interest, Dividends and Rent on Land Earned allocated to External Interest and Dividends Received	<u>11,657,220</u>	<u>11,946,693</u>
Total External Interest and Dividends Received allocated to Cash Flow	<u>20,233,348</u>	<u>20,234,700</u>
29.2 Calculation of Cash Flow:		
External Interest and Dividends Income	11,657,220	11,946,693
Total Receipts for Interest and Dividends Received	<u>11,657,220</u>	<u>11,946,693</u>
OPERATIONAL REVENUE		
Commission	499,644	462,009
Insurance Refund	2,581,454	(230,171)
Skills Development Levy Refund	581,983	1,203,801
Staff Recoveries	3,623	18,485
Total Operational Revenue	<u>3,666,703</u>	<u>1,454,124</u>
30.1 Calculation of Cash Flow:		
Income from Operational Revenue	Note 30. 3,666,703	1,454,124
Income from Rental from Fixed Assets	Note 28. 697,437	609,214
Income from Sales of Goods and Rendering of Services	Note 27. 11,110,286	6,171,011
Income from Surcharges and Taxes	Note 26. -	-
Income from Licences and Permits	Note 24. 11,066,499	15,792,788
Income from Fines, Penalties and Forfeits	Note 23. 20,388,284	21,333,783
Cash Flow from Exchange Receivables	Note 3.1 10,905	7,168
Cash Flow from Non-exchange Receivables	Note 4.1 21,549,260	15,037,005
Cash Flow from Operating Lease Receivables	Note 7.1 63,078	34,759
Cash Flow from Consumer Deposits	Note 13.1 332,839	1,042,906
Cash Flow from Exchange Payables	Note 15.1 - 5,445,894	259,234
Correction of Prior Year Errors	Note 21.1 -	1,379,424
Total Receipts for Other Revenue	<u>63,439,397</u>	<u>32,528,938</u>

The amounts disclosed above for Other Revenue are in respect of services, other than described in Notes 22 to 29, rendered which are billed to or paid for by the users as the services are required according to approved tariffs.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
31. EMPLOYEE RELATED COSTS		
Salaries and Wages:		
Basic	182,066,646	165,865,539
Long Service Awards	1,207,991	946,433
Bonusses	511,524	1,076,466
Leave Payments	1,221,247	1,590,718
Overtime	27,333,706	26,376,406
Allowances:		
Accommodation, Travel and Incidental	-	-
Acting and Post Related Allowances	1,198,745	1,043,282
Bonus Allowance	13,388,228	12,116,643
Cellular and Telephone	5,559	7,500
Housing Benefits	856,667	952,831
Standby Allowance	7,395,340	6,117,348
Travel or Motor Vehicle	9,389,730	7,775,698
Uniform/Special/Protective Clothing	-	-
Social Contributions:		
Bargaining Council	1,577,147	1,664,295
Group Life Insurance	6,530,382	5,762,048
Medical	15,799,761	14,432,761
Pension	28,654,661	26,001,803
Unemployment Insurance	1,564,669	1,477,783
Post-retirement Benefits:		
Current Service Cost	-	4,029,000
Interest Cost	7,780,705	8,377,000
Actuarial Gains and Losses	(16,313,895)	(13,016,399)
Past Service Cost	3,821,493	(3,144,000)
Defined Contribution Fund Expenses	(3,003,291)	-
Leave Gratuity	3,168,263	2,059,738
Long Term Service Awards	(447,245)	2,645,509
Less: Employee Costs allocated to Property, Plant and Equipment	-	-
Total Employee Related Costs	293,708,033	274,158,400
31.1 Allocation for Cash Flow:		
Employee Related Costs	293,708,033	274,158,400
Adjustment for Non-cash Transactions:	(636,124)	(7,174,314)
Provisions and Non-current Provisions:-	(3,266,665)	(3,136,204)
<i>Performance Bonus</i>	(98,403)	(1,076,466)
<i>Ex-gratia Pension</i>	-	-
<i>Leave</i>	(3,168,263)	(2,059,738)
<i>Pension Fund Investment Return Shortfall</i>	-	-
Employee Benefit Liabilities:-	2,630,541	(4,038,110)
<i>Long-service Awards</i>	(2,081,156)	(4,648,509)
<i>Medical</i>	4,704,583	74,606
<i>Pension</i>	7,114	535,793
Total Employee Related Costs allocated to Cash Flow	293,071,908	266,984,086
31.2 Calculation of Cash Flow:		
Employee Related Costs Expenditure	293,071,908	266,984,086
Cash Flow from Provisions	3,003,291	3,144,000
Cash Flow from Exchange Payables	(1,305,051)	(223,796)
Cash Flow from Employee Benefit Liabilities	5,510,644	5,086,000
Total Payments for Employee Related Costs	300,280,792	274,990,290

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
31.3 Remuneration of Section 57 Employees:		
Remuneration of the Municipal Manager: C Du Plessis		
Annual Remuneration	1,415,803	1,374,625
Car and Other Allowances	97,097	117,929
Company Contributions to UIF, Medical and Pension Funds	17,911	19,919
Total	1,530,811	1,512,473
Remuneration of the Chief Financial Officer: S Thys (1 July 2019 - 31 December 2019)		
Annual Remuneration	695,253	1,283,246
Car and Other Allowances	329,813	111,583
Company Contributions to UIF, Medical and Pension Funds	11,187	19,142
Total	1,036,253	1,413,971
Remuneration of the Chief Financial Officer: R Lorgat (1 April - 30 June 2020)		
Annual Remuneration	280,317	-
Car and Other Allowances	32,397	-
Company Contributions to UIF, Medical and Pension Funds	3,936	-
Total	316,650	-
Remuneration of the Director: Community Services - N Machalesi		
Annual Remuneration	1,061,269	1,027,460
Car and Other Allowances	228,372	203,806
Company Contributions to UIF, Medical and Pension Funds	16,350	17,650
Total	1,305,992	1,248,917
Remuneration of Director: Infrastructure and Engineering - V Felton		
Annual Remuneration	1,145,269	1,111,460
Car and Other Allowances	317,483	119,588
Company Contributions to UIF, Medical and Pension Funds	16,921	16,774
Total	1,479,673	1,247,822
Remuneration of Director: Corporate Services - K Moodley		
Annual Remuneration	1,145,269	1,111,460
Car and Other Allowances	188,431	119,545
Company Contributions to UIF, Medical and Pension Funds	16,953	17,190
Total	1,350,653	1,248,195
Remuneration of Director: Planning, Development and Tourism - F Mabusela		
Annual Remuneration	1,061,269	1,027,460
Car and Other Allowances	207,891	248,187
Company Contributions to UIF, Medical and Pension Funds	16,011	18,607
Total	1,285,171	1,294,253
Summary of Remuneration of Section 57 Employees:		
All Managers	7,988,552	7,965,631
Total Remuneration of Section 57 Employees	7,988,552	7,965,631
2. REMUNERATION OF COUNCILLORS		
Executive Mayor	893,853	731,462
Speaker	715,079	580,894
Executive Committee Members	4,022,282	2,678,819
Total for All Other Councillors	7,244,864	8,210,992
Total Councillors' Remuneration	12,876,077	12,202,166
32.1 Calculation of Cash Flow:		
Remuneration of Councillors Expenditure	12,876,077	12,202,166
Total Payments for Employee Related Costs	12,876,077	12,202,166
Remuneration of Councillors:		
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.		

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
33. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	76,816,509	75,515,934
Amortisation: Intangible Assets	117,052	124,186
Total Depreciation and Amortisation	76,933,561	75,640,120
34. IMPAIRMENT LOSSES		
Impairment Losses on Fixed Assets	162,199	-
Impairment Losses on Financial Assets	75,352,116	45,795,529
Fair Value Adjustment	(56,653)	(31,488)
Total Impairment Losses	75,457,662	45,764,042
34.1 Impairment Losses on Fixed Assets		
Impairment Losses	162,199	-
Property, Plant and Equipment	162,199	-
	162,199	-
		(879,000.00)
34.2 Impairment Losses on Financial Assets		
Impairment Losses	21,723,438	23,347,147
Other Receivables from Non-exchange Revenue	(9,768,636)	12,683,546
Trade and Other Receivables from Exchange Transactions	31,492,073	10,663,601
Bad Debts Written Off	40,431,532	7,747,474
Reversal of Impairment Losses	13,197,146	14,700,908
Other Receivables from Non-exchange Revenue	-	-
Trade and Other Receivables from Exchange Transactions	13,197,146	14,700,908
	75,352,116	45,795,529
34.3 Fair Value Adjustment		
Inventory	(56,653)	(31,488)
	(56,653)	(31,488)
34.4 Allocation for Cash Flow:		
Impairment Losses	75,457,662	45,764,042
Adjustment for Non-cash Transactions:	(35,082,782)	(38,048,056)
Impairment Losses on Fixed Assets	(162,199)	-
Impairment Losses on Financial Assets (excluding Bad Debts Written-off Note 34.2)	(34,920,584)	(38,048,056)
Total Impairment Losses allocated to Service Charges	40,374,879	7,715,986

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
35. INTEREST, DIVIDENDS AND RENT ON LAND PAID		
Interest Paid:	5,714,358	6,637,780
Borrowings	2,201,127	3,020,625
Finance Leases	262,416	422,482
Interest costs non-current Provisions	3,211,375	3,141,024
Overdue Accounts	39,440	53,650
Total Interest Expense	5,714,358	6,637,780
Total Interest, Dividends and Rent on Land Paid	5,714,358	6,637,780
35.1 Allocation for Cash Flow:		
Non-cash Transactions:-		
Interest Paid	3,211,375	3,141,024
Interest costs non-current Provisions	3,211,375	3,141,024
Total Interest, Dividends and Rent on Land Paid allocated to Non-cash Transactions	3,211,375	3,141,024
External Interest and Dividends Paid:-		
Dividends Paid	-	-
Interest Paid	2,502,983	3,496,757
Amounts included in the Cost of qualifying Assets	-	-
Total Interest, Dividends and Rent on Land Paid allocated to External Interest and Dividends Paid	2,502,983	3,496,757
Total External Interest and Dividends Paid allocated to Cash Flow	5,714,358	6,637,780
35.2 Calculation of Cash Flow:		
Interest, Dividends and Rent on Land Paid Expenditure	2,502,983	3,496,757
Total Payments for External Interest and Dividends Paid	2,502,983	3,496,757
36. BULK PURCHASES		
Electricity	231,511,535	198,587,027
Water	33,017,786	35,940,380
Total Bulk Purchases	264,529,320	234,527,407
37. CONTRACTED SERVICES		
Outsourced Services	16,011,719	14,341,743
Consultants and Professional Services	12,341,781	11,757,972
Contractors	42,506,723	36,593,975
Total Contracted Services	70,860,223	62,693,690
37.1 Outsourced Services		
Animal Care	350,000	252,644
Burial Services	176,170	68,100
Business and Advisory	9,279,441	8,003,170
Catering Services	256,708	380,194
Cleaning Services	127,565	16,000
Clearing and Grass Cutting Services	513,959	-
Drivers Licence Cards	513,105	719,467
Illegal Dumping	-	6,957
Internal Auditors	27,074	162,928
Litter Picking and Street Cleaning	581,400	1,396,380
Medical Services [Medical Health Services & Support]	490,881	444,612
Personnel and Labour	1,892,383	-
Professional Staff	19,690	578,509
Refuse Removal	-	1,500
Security Services	1,650,029	1,030,799
Traffic Fines Management	77,402	1,174,493
Transport Services	55,912	105,989
	16,011,719	14,341,743

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
37.2 Consultants and Professional Services		
Business and Advisory	4,306,172	4,532,073
Infrastructure and Planning	1,394,008	1,066,000
Laboratory Services	521,573	662,321
Legal Cost	6,120,027	5,497,579
	12,341,781	11,757,972
37.3 Contractors		
Artists and Performers	112,500	150,000
Auctioneers	-	7,832
Catering Services	1,093	2,000
Employee Wellness	138,922	188,963
Interior Decorator	-	10,564
Maintenance of Buildings and Facilities	5,344,849	7,213,609
Maintenance of Equipment	349,197	489,124
Maintenance of Computer Software	36,524,056	28,442,883
Medical Services	1,057	19,800
Pest Control and Fumigation	35,049	30,400
Transportation	-	38,800
	42,506,723	36,593,975
INVENTORY CONSUMED		
Consumables	7,987,447	7,999,136
Materials and Supplies	32,138,028	19,382,263
	40,125,475	27,381,399
38.1 Calculation of Cash Flow:		
Expenditure for Inventory Consumed	Note 38. 40,125,475	27,381,399
Expenditure for Contracted Services	Note 37. 70,860,223	62,693,690
Expenditure for Bulk Purchases	Note 36. 264,529,320	234,527,407
Cash Flow from Inventories	Note 2.1 431,879	2,583,176
Cash Flow from Exchange Receivables	Note 3.1 (1,172,284)	2,452,173
Cash Flow from Property, Plant and Equipment	Note 9.1 40,364,527	22,565,974
Cash Flow from Exchange Payables	Note 15.1 (59,679,166)	(16,125,846)
Cash Flow from Non-current Provisions	Note 20.1 52,200	-
Total for Suppliers Paid	355,512,174	336,077,974
TRANSFERS AND SUBSIDIES PAID		
Operational Grants	250,000	-
Monetary Allocations	250,000	-
Total Transfers and Subsidies Paid	250,000	-

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
40. OPERATING LEASES		
Furniture and Office Equipment	2,571,933	5,783,199
Machinery and Equipment	24,017	107,047
Other Assets	4,103,789	3,620,131
Total for Operating Leases	6,699,738	9,510,378
The Municipality as Lessee:		
Operating leases relate to Property, Plant and Equipment with lease terms not longer than 5 years		
Amount payable under Operating Leases		
All the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plan and Equipment, which fall due as follows:		
Other Equipment:		
Up to 1 year	6,721,165	9,510,378
2 to 5 years		
More than 5 years		
Total Operating Lease Arrangements	6,721,165	9,510,378
The following payments have been recognised as an expense in the Statement of Finance Performance		
Minimum lease payments	6,721,165	9,510,378
Total Operating Lease Expenses	6,721,165	9,510,378
41. OPERATIONAL COSTS		
Included in General Expenses are the following:		
Achievements and Awards	1,125,234	823,472
Advertising, Publicity and Marketing	1,208,434	842,745
Assets less than the Capitalisation Threshold	-	4,207,680
Bank Charges, Facility and Card Fees	1,454,356	2,055,856
Bargaining Council	2,765,653	2,581,700
Commission	4,456,481	5,229,305
Communication	2,566,490	2,640,617
Contribution to Provisions	(930,978)	1,540,000
Courier and Delivery Services	450	52
External Audit Fees	4,996,934	4,412,076
External Computer Service	5,700,665	5,857,285
Firearm Handling Fees	31,936	-
Hire Charges	26,102,397	15,218,235
Insurance Underwriting	5,035,321	2,546,605
Licences	584,955	646,154
Management Fee	4,516,187	5,784,917
Municipal Services	-	4,477,544
Printing, Publications and Books	734,296	865,399
Professional Bodies, Membership and Subscription	1,637	15,625
Registration Fees	2,178,538	1,453,752
Remuneration to Ward Committees	2,696,498	2,407,538
Resettlement Cost	56,800	198,261
Samples and Specimens	64,973	8,202
Search Fees	72,636	71,453
Signage	250,939	330,548
Skills Development Fund Levy	1,600,975	1,687,995
Storage of Files (Archiving)	1,194,442	-
Travel and Subsistence	1,564,614	2,045,503
Uniform and Protective Clothing	2,138,545	2,057,843
Vehicle Tracking	619,787	584,079
Workmen's Compensation Fund	1,031,359	896,821
Total Operational Costs	73,820,555	71,487,261

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
		R	R
41.1 Calculation of Cash Flow:			
Expenditure for Operational Costs	Note 41.	73,820,555	71,487,261
Expenditure for Operating Leases	Note 40.	6,699,738	9,510,378
Expenditure for Transfers and Subsidies Paid	Note 39.	250,000	-
Cash Flow from Exchange Payables	Note 15.1	949,964	(931,742)
Cash Flow from Non-exchange Payables	Note 16.1	(235,741)	-
Reversal of Non-Cash Movements		(3,292,153)	(4,012,900)
Total for Other Payments		78,192,362	76,052,997
41.2 Travel and Subsistence			
Domestic		1,341,813	1,551,186
Accommodation		422,612	350,645
Daily Allowance		44,352	19,137
Food and Beverage (Served)		206,296	203,909
Transport without Operator		520,342	808,300
Transport with Operator		148,211	169,195
Foreign		83,383	261,538
Accommodation		6,333	10,816
Daily Allowance		77,050	250,722
Non-employees		139,418	232,779
		1,564,614	2,045,503
No other extra-ordinary expenses were incurred.			
GAINS / LOSSES ON DISPOSAL OF CAPITAL ASSETS			
Investment Property		-	-
Property, Plant and Equipment		(1,717,571)	(750,454)
Total Gains on Disposal of Capital Assets		-	-
Total Losses on Disposal of Capital Assets		1,717,571	750,454
42.1 Allocation for Cash Flow:			
Disposal of Property, Plant and Equipment:			
Gains on Disposal of Capital Assets	Note 42.	-	-
Losses on Disposal of Capital Assets	Note 42.	(1,717,571)	(750,454)
Total Gains on Disposal of Capital Assets allocated to Property, Plant and Equipment		(1,717,571)	(750,454)
Total Gains / (Losses) on Disposal of Capital Assets allocated to Cash Flow		(1,717,571)	(750,454)

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
43. CORRECTION OF ERROR		
43.1 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
Balance published as at 30 June 2018		2,131,472,850
Correction of Error:-		(686,213)
Adjustment for Carrying Value of Vehicles Written Off	(686,213)	
Restated Balance as at 30 June 2018		2,130,786,637
Transactions incurred for the Year 2018/19		59,138,892
Balances previously published per AFS as at 30 June 2019		2,189,925,528
Correction of Error:-		215,699
Adjustment for Depreciation of Vehicles Written Off	215,699	
Restated Balances as at 30 June 2019		2,190,141,228

43.2 Reclassification of Revenue

The prior year figures of Revenue Classes have been restated to correctly classify the nature of Revenue of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Property Rates	184,331,308	-	184,331,308
Fines, Penalties and Forfeits	21,333,783	-	21,333,783
Licences and Permits - Non-exchange	15,792,788	-	15,792,788
Transfers and Subsidies	216,899,825	-	216,899,825
Interest, Dividends & Rent on Land Non-Exchange	1,325,934	-	1,325,934
Service Charges	413,280,935	-	413,280,935
Sales of Goods and Rendering of Services	6,171,011	-	6,171,011
Rental from Fixed Assets	609,214	-	609,214
Interest, Dividends & Rent on Land Exchange	18,908,767	-	18,908,767
Operational Revenue	1,454,124	-	1,454,124
	880,107,688	-	880,107,688

43.3 Reclassification of Expenditure

The prior year figures of Expenditure Classes have been restated to correctly classify the nature of Expenditure of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Employee Related Costs	274,158,400	-	274,158,400
Remuneration of Councillors	12,202,166	-	12,202,166
Depreciation and Amortisation	75,855,819	(215,698)	75,640,120
Impairment Losses	45,764,042	-	45,764,042
Interest, Dividends and Rent on Land	6,637,780	-	6,637,780
Bulk Purchases	234,527,407	-	234,527,407
Contracted Services	62,693,690	-	62,693,690
Inventory Consumed	27,381,399	-	27,381,399
Operating Leases	9,510,378	-	9,510,378
Operational Costs	71,487,261	-	71,487,261
Loss on Disposal of PPE	750,454	-	750,454
	820,968,796	(215,698)	820,753,098

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R	
43.4 Reclassification of Statement of Financial Position			
The prior year figures of Classes in the Statement of Financial Position have been restated to correctly classify the nature of Assets, Liabilities and Net Assets of the municipality.			
The effect of the Correction of Error is as follows:			
	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Current Assets			
Inventories	9,249,357	-	9,249,357
Receivables from Exchange Transactions	54,093,203	-	54,093,203
Receivables from Non-exchange Transactions	31,122,849	-	31,122,849
Statutory Receivables from Non-Exchange Transactions	-	-	-
VAT Receivable	46,795,893	-	46,795,893
Cash and Cash Equivalents	214,227,967	-	214,227,967
Operating Lease Receivables	234,365	-	234,365
Current Portion of Long-term Receivables	3,000	-	3,000
Non-Current Assets			
Property, Plant and Equipment	2,018,797,106	(470,513)	2,018,326,592
Intangible Assets	243,850	-	243,850
Investment Property	242,551,944	-	242,551,944
Long-term Receivables	13,000	-	13,000
	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Current Liabilities			
Consumer Deposits	17,378,122	-	17,378,122
Provisions	29,648,800	-	29,648,800
Payables from Exchange Transactions	87,382,553	-	87,382,553
Payables from Non-exchange Transactions	-	-	-
Unspent Conditional Grants and Receipts	103,445,548	-	103,445,548
Current Portion of Long-term Liabilities	9,066,539	-	9,066,539
Non-Current Liabilities			
Long-term Liabilities	16,354,409	-	16,354,409
Employee Benefit Liabilities	94,807,417	-	94,807,417
Non-current Provisions	68,637,404	-	68,637,404
Net Assets			
Accumulated Surplus / (Deficit)	2,190,611,741	(470,513)	2,190,141,228
	-	-	-

44.4 Reclassification of Cash Flow Statement

The prior year figures of the Cash Flow Statement have been restated to correctly classify the nature of cash receipts and expenditures of the municipality.

The effect of the Correction of Error is as follows:

	Prior Year 2018/19 Audited	Correction of Error	Restated Amount 2018/19
Receipts			
Property Rates	181,926,552	1,427,081	183,353,633
Transfers and Subsidies	313,403,865	-	313,403,865
Service Charges	375,024,303	10,041,719	385,066,022
External Interest and Dividends Received	11,946,693	-	11,946,693
Other Receipts	37,942,178	(5,413,240)	32,528,938
Payments			
Employee Related Costs	(271,908,268)	(3,082,023)	(274,990,290)
Remuneration of Councillors	(12,202,166)	-	(12,202,166)
External Interest and Dividends Paid	(3,443,107)	(53,650)	(3,496,757)
Suppliers Paid	(310,518,346)	(25,559,628)	(336,077,974)
Other Payments	(76,114,244)	61,246	(76,052,997)
VAT Paid	(24,082,421)	-	(24,082,421)
NET CASH FLOWS FROM OPERATING ACTIVITIES	221,975,039	(22,578,495)	199,396,544

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant and Equipment	(94,313,177)	22,626,234	(71,686,943)
Purchase of Intangible Assets	-	(47,739)	(47,739)
Proceeds on Disposal of Property, Plant and Equipment	(628,537)	-	(628,537)
Proceeds on Disposal of Investment Property	-	-	-
Decrease / (Increase) in Long-term Receivables	3,000	-	3,000

NET CASH FLOWS FROM INVESTING ACTIVITIES	(94,938,714)	22,578,495	(72,360,219)
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CASH FLOWS FROM FINANCING ACTIVITIES

Increase in Long-term Loans (Loans Taken-on)	(7,123,483)	-	(7,123,483)
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NET CASH FLOWS FROM FINANCING ACTIVITIES	(7,123,483)	-	(7,123,483)
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NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	119,912,842	-	119,912,842
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Cash and Cash Equivalents at Beginning of Period	94,315,125	-	94,315,125
Cash and Cash Equivalents at End of Period	214,227,967	-	214,227,967

CASH GENERATED BY OPERATIONS

Surplus / (Deficit) for the Year	23,557,715	34,777,175
Unresolved Correction of Prior Year Errors	-	(686,213)

Adjustment for Non-cash Transactions included in Surplus / (Deficit):

Employee Related Costs	Note 31.1	636,124	7,174,314
Depreciation and Amortisation	Note 33	76,933,561	75,640,120
Impairment Losses	Note 34.4	35,082,782	38,048,056
Interest, Dividends and Rent on Land Paid	Note 35.1	3,211,375	3,141,024

Adjustment for Cash Transactions not included in Surplus / (Deficit):

Exchange Receivables: Bad Debts Written-off		
Non-exchange Receivables: Bad Debts Written-off		
Transfer of Property, Plant and Equipment	(40,364,527)	(22,565,974)
Expenditure incurred from Provisions for Employee Related Costs	(3,003,291)	(3,144,000)
Expenditure incurred from Employee Benefit Liabilities for Employee Related Costs	(5,510,644)	(5,086,000)
Expenditure incurred from Non-current Provisions for Suppliers Paid	(52,200)	-

Adjustment for Transactions included in Surplus / (Deficit) directly recognised in Cash Flow:

Gains on Disposal of Capital Assets	Note 42.1	-	-
Losses on Disposal of Capital Assets	Note 42.1	(1,717,571)	(750,454)

Operating surplus before working capital changes	88,773,325	127,298,501
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Decrease/(Increase) in Inventories	(431,879)	(2,583,176)
Decrease/(Increase) in Receivables from Exchange Transactions	(9,396,627)	(23,790,640)
Decrease/(Increase) in Receivables from Non-exchange Transactions	13,783,836	(17,340,612)
Decrease/(Increase) in VAT Receivable	(18,984,979)	(24,082,421)
Decrease/(Increase) in Operating Lease Receivables	63,078	34,759
Increase/(Decrease) in Consumer Deposits	697,742	2,137,254
Increase/(Decrease) in Payables from Exchange Transactions	55,724,778	16,667,327
Increase/(Decrease) in Payables from Non-exchange Transactions	235,741	-
Increase/(Decrease) in Conditional Grants and Receipts	(76,518,371)	96,504,040
Other Non-Cash Movements as per Cash Flow section in AFS Notes	(20,347,530)	24,551,512

Cash Generated by / (Utilised in) Operations	33,599,115	199,396,544
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KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
45. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
45.1 Unauthorised Expenditure		
Reconciliation of Unauthorised Expenditure:		
Opening Balance:	-	-
Unauthorised Expenditure Current Year:	-	-
Approved/Condoned by Council:	-	-
Unauthorised Expenditure awaiting authorisation	-	-
	<u>-</u>	<u>-</u>

45.2 Fruitless and Wasteful Expenditure

Reconciliation of Fruitless and Wasteful Expenditure:		
Opening Balance	34,893,163	35,839,929
Fruitless and Wasteful Expenditure Current Year	27,485	53,650
Expenditure investigated and approved by Council	(34,893,163)	(1,000,416)
To be Recovered	-	-
Fruitless and Wasteful Expenditure awaiting condonement	<u>27,485</u>	<u>34,893,163</u>

Incident	Disciplinary Steps / Criminal Proceedings
<i>Interest and penalties on late payment of trade creditors. - R27,485 (2019: R53,650)</i>	<i>Currently None - subject to possible future investigation</i>

45.3 Irregular Expenditure

Reconciliation of Irregular Expenditure:		Restated
Opening Balance:	69,934,095	98,699,214
- As previously stated	69,934,095	98,699,214
Irregular Expenditure Current Year:	1,529,888	7,660,307
- Current Year	1,529,888	7,660,307
Condoned/Written-off by Council:	(69,934,095)	(36,425,426)
- Current Year	-	-
- Prior Year	(69,934,095)	(36,425,426)
Irregular Expenditure awaiting condonation	<u>1,529,887</u>	<u>69,934,095</u>

Current Year:

Incident	Deviation
<i>Invalid deviations - R0 (2019: R2,191,131)</i>	<i>Still to be investigated.</i>
<i>Expenditure Incurred in excess of contract award amount, in respect to the resealing of Roads. - R0 (2019: R5,469,176)</i>	<i>Under Investigation by MPAC.</i>

46. ADDITIONAL DISCLOSURES IN TERMS OF APPLICABLE LEGISLATION

46.1 MUNICIPAL FINANCE MANAGEMENT ACT

46.1.1 Contributions to Organised Local Government - SALGA

Opening Balance	-	-
Council Subscriptions	2,947,746	2,567,400
Amount Paid - current year	(2,947,746)	(2,567,400)
Balance Unpaid (included in Creditors)	<u>-</u>	<u>-</u>

46.1.2 Pension and Medical Aid Deductions

Opening Balance	-	-
Current Year Contributions	68,602,142	63,008,498
Amount Paid - current year	(68,602,142)	(63,008,498)
Balance Unpaid (included in Creditors)	<u>-</u>	<u>-</u>

46.1.3 Audit Fees

Opening Balance	-	-
Current year Audit Fees	4,069,729	4,727,142
Amount Paid - current year	(4,065,954)	(4,727,142)
Balance Unpaid (included in Creditors)	<u>3,774</u>	<u>-</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
46.1.4 PAYE, Skills Development Levy and UIF		
Opening Balance	-	-
Current year Payroll Deductions	44,521,086	39,224,626
Amount Paid - current year	(44,521,086)	(39,224,626)
Balance Unpaid (included in Creditors)	<u>-</u>	<u>-</u>

46.1.5 VAT

The net of VAT input receivables and VAT output payables are shown in Note 5. All VAT returns have been submitted by the due date throughout the year.

65,780,872	46,795,893
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46.1.6 Councillor's arrear Consumer Accounts

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

The following Councillors had arrear accounts outstanding for more than 90 days as at 30 June 2019:

	Total	Outstanding up to 90 days	Outstanding more than 90 days
30 June 2020			
Councillor Februarie ER	19,350	19,350	-
Total Councillor Arrear Consumer Accounts	<u>19,350</u>	<u>19,350</u>	<u>-</u>
30 June 2019			
Councillor Februarie ER	136,085	-	136,085
Total Councillor Arrear Consumer Accounts	<u>136,085</u>	<u>-</u>	<u>136,085</u>

46.1.7 Non-Compliance with the Municipal Finance Management Act

No known matters existed at reporting date.

46.1.8 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 2020			
Department	Tenderer	Reason	Amount
Finance	Various (9)	Various reasons like impracticality/ urgency/ Continuity and alignment	4,806,564
Infrastructure & Engineering	Various (154)	Various reasons like impracticality/ urgency/ Preferred supplier	87,253,294
Corporate Services	Various (17)	Various reasons like impracticality/ urgency/ Sole Supplier	851,570
Office of MM	Various (46)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	1,284,784
Community Services	Various (17)	Various reasons like Sole Supplier impracticality/ urgency/ Preferred supplier	7,571,250
Planning, Development & Tourism	Various (14)	Impracticality	559,173
Total:			<u>102,326,634</u>

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:			<u>44,618,474</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

46.1.9)d(i) of the MFMA

Material Electricity and Water Losses were as follows and are not recoverable:

Electricity:

		Lost Units	Tariff	Value
30 June 2020	Unaccounted Electricity Losses	<u>25,056,544</u>	<u>1.2797</u>	<u>32,064,108</u>
30 June 2019	Unaccounted Electricity Losses	<u>28,653,364</u>	<u>1.1088</u>	<u>31,769,449</u>

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.

	2020 R	2,019 R
Volumes in kWh/year:		
System Input Volume	203,171,890	205,626,242
Billed Consumption	<u>161,861,595</u>	<u>160,522,779</u>
Unaccounted	41,310,296	45,103,464
Normal distribution losses - 8% of electricity purchases	<u>16,253,751</u>	<u>16,450,099</u>
	<u>25,056,544</u>	<u>28,653,364</u>
Percentage Distribution Loss	12.33%	13.93%

Water:

		Lost Units	Tariff	Value
30 June 2020	Unaccounted Water Losses	<u>2,109,840</u>	<u>7.3100</u>	<u>15,422,930</u>
30 June 2019	Unaccounted Water Losses	<u>2,395,185</u>	<u>6.8000</u>	<u>16,287,258</u>

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/repairs as soon as they are reported.

	2020 R	2019 R
Volumes in Kl/year:		
System Input Volume	7,234,555	7,437,830
Billed Consumption	5,124,715	5,042,645
Distribution Loss	2,109,840	2,395,185
Percentage Distribution Loss	29.16%	32.20%

46.2 BROAD-BASED BLACK 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.

COMMITMENTS FOR EXPENDITURE

47.1 Capital Commitments

- Approved and Contracted for:-

Infrastructure
Community
Other

112,860,883	117,567,900
102,298,930	112,182,669
5,886,847	3,552,149
4,675,106	1,833,083

Total Capital Commitments

<u>112,860,883</u>	<u>117,567,900</u>
---------------------------	---------------------------

This expenditure will be financed from:

Internal and Grant funding

112,860,883	117,567,900
<u>112,860,883</u>	<u>117,567,900</u>

The Capital Commitments are VAT inclusive.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

48. FINANCIAL INSTRUMENTS

48.1 Classification

FINANCIAL ASSETS:

In accordance with GRAP 104.13 the Financial Assets of the municipality are classified as follows:

<u>Financial Assets</u>	<u>Classification</u>		
Staff Related Long Term Receivables	Amortised cost	13,000	-
Receivables from Exchange Transactions			
Electricity	Amortised cost	26,318,850	32,434,811
Refuse	Amortised cost	1,907,985	1,602,661
Sewerage	Amortised cost	2,594,089	2,320,953
Other Service Charges	Amortised cost	1,690,049	1,079,398
Water	Amortised cost	8,149,653	10,841,381
Other Debtors	Amortised cost	724,062	140,060
Control, Clearing and Interface Accounts	Amortised cost	480,017	490,922
Receivables from Non-exchange Transactions			
Deposits	Amortised cost	-	-
Cash and Cash Equivalents			
Call Deposits	Amortised cost	122,294,823	200,626,600
Bank Balances	Amortised cost	18,737,370	13,600,946
Cash Floats and Advances	Fair value	421	421
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	-
Receivables from Exchange Transactions	Electricity	26,318,850	32,434,811
Receivables from Exchange Transactions	Refuse	1,907,985	1,602,661
Receivables from Exchange Transactions	Sewerage	2,594,089	2,320,953
Receivables from Exchange Transactions	Other Service Charges	1,690,049	1,079,398
Receivables from Exchange Transactions	Water	8,149,653	10,841,381
Receivables from Exchange Transactions	Other Debtors	724,062	140,060
Receivables from Exchange Transactions	Control, Clearing and Interface Accounts	480,017	490,922
Receivables from Exchange Transactions	Receivables with Credit Balances	-	-
Receivables from Non-exchange Transactions	Deposits	-	-
Current Portion of Long-term Receivables	Staff Related Long Term Receivables	3,000	3,000
Cash and Cash Equivalents	Call Deposits	122,294,823	200,626,600
Cash and Cash Equivalents	Bank Balances	18,737,370	13,600,946
		<u>210,020,544</u>	<u>294,263,582</u>
Financial Assets at Fair Value:			
Cash and Cash Equivalents	Cash Floats and Advances	421	421
		<u>421</u>	<u>421</u>
Total Financial Assets		<u>210,020,965</u>	<u>294,264,003</u>

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

FINANCIAL LIABILITIES:

In accordance with GRAP 104.13 the Financial Liabilities of the municipality are classified as follows:

<u>Financial Liabilities</u>	<u>Classification</u>		
Long-term Liabilities			
Development Bank of South Africa	Amortised cost	6,128,314	15,090,290
Finance Lease Liability	Amortised cost	618,497	1,264,119
Consumer Deposits			
Electricity	Amortised cost	10,835,939	10,563,805
Water	Amortised cost	1,821,417	1,728,648
Other Deposits	Amortised cost	5,418,508	5,085,670
Payables from Exchange Transactions			
Bonus	Amortised cost	-	-
Other Payables	Amortised cost	10,646,509	15,855,564
Retentions	Amortised cost	3,349,136	2,539,496
Salary Related Payables	Amortised cost	816,076	695,462
Trade Creditors	Amortised cost	112,202,790	53,335,629
Advance Payments	Amortised cost	16,092,821	14,956,402
Payables from Non-exchange Transactions			
Transfers and subsidies	Amortised cost	235,741	-
Current Portion of Long-term Liabilities			
Development Bank of South Africa	Amortised cost	8,961,975	7,998,872
Finance Lease Liability	Amortised cost	645,622	1,067,666
SUMMARY OF FINANCIAL LIABILITIES			
Financial Liabilities at Amortised Cost:			
Long-term Liabilities	Development Bank of South Africa	6,128,314	15,090,290
Long-term Liabilities	Finance Lease Liability	618,497	1,264,119
Payables from Exchange Transactions	Other Payables	10,646,509	15,855,564
Payables from Exchange Transactions	Retentions	3,349,136	2,539,496
Payables from Exchange Transactions	Salary Related Payables	816,076	695,462
Payables from Exchange Transactions	Trade Creditors	112,202,790	53,335,629
Payables from Exchange Transactions	Advance Payments	16,092,821	14,956,402
Current Portion of Long-term Liabilities	Development Bank of South Africa	8,961,975	7,998,872
Current Portion of Long-term Liabilities	Finance Lease Liability	645,622	1,067,666
		<u>177,773,345</u>	<u>130,181,624</u>
Total Financial Liabilities		<u>177,773,345</u>	<u>130,181,624</u>

48.2 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.

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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020, as a result of the short-term maturity of these assets and liabilities.

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.

30 June 2020

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	421	-	421
Total Financial Assets	-	421	-	421
Total Financial Instruments	-	421	-	421

30 June 2019

	Level 1 R	Level 2 R	Level 3 R	Total R
FINANCIAL ASSETS				
Financial Instruments at Fair Value:				
Cash and Cash Equivalents	-	421	-	421
Total Financial Assets	-	421	-	421
Total Financial Instruments	-	421	-	421

48.3 Capital Risk Management

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 21. and the Statement of Changes in Net Assets.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Gearing Ratio

	2020	2019
	R	R
The gearing ratio at the year-end was as follows:		
Debt	34,430,272	42,799,070
Cash and Cash Equivalents	(421)	(421)
Net Debt	<u>34,429,851</u>	<u>42,798,649</u>
Equity	<u>2,213,698,944</u>	<u>2,190,141,228</u>
Net debt to equity ratio	<u>1.56%</u>	<u>1.95%</u>

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.

48.4 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.

48.5 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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 48.8 to the Annual Financial Statements.

48.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 48.7 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.

48.6.1 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.

48.6.2 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.

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 is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 48.8 below.

Cash and Cash Equivalents:

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:

- Surplus for the year ended 30 June 2020 would have increased / decreased by R1,776,299 (30 June 2019: R1,542,711). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

48.7 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.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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.

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.

	2020 R	2019 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Long-term Receivables	13,000	16,000
Receivables from Exchange Transactions	174,948,231	165,551,604
Receivables from Non-exchange Transactions	75,039,832	88,823,668
Bank, Cash and Cash Equivalents	141,032,614	214,227,967
Maximum Credit and Interest Risk Exposure	391,020,676	468,603,238

The major concentrations of credit risk that arise from the municipality's receivables in relation to customer classification are as follows:

	%	%
Consumer Debtors:		
- Household	1.99%	1.79%
- Industrial / Commercial	2.80%	2.10%
- National and Provincial Government	1.44%	0.99%
- Other Classes	0.58%	0.71%
Other Debtors:		
- Other not Classified	23.30%	39.84%
Total Credit Risk	30.11%	45.44%

Bank and Cash Balances

ABSA Bank Ltd	809,835	777,293
First National Bank	18,401,160	25,579,921
Cash Equivalents	421	421
Total Bank and Cash Balances	19,211,417	26,357,635

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:

Counterparties without external credit rating:-

Group 1	15,979,334	17,685,468
Group 2	4,085,123	4,521,297

Total Receivables from Exchange Transactions

20,064,457	22,206,765
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Receivables from Non-exchange Transactions

Group 1	8,130,154	12,229,787
Group 2	2,078,477	3,126,550

Total Receivables from Non-exchange Transactions

10,208,631	15,356,337
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Credit quality Groupings:

Group 1 - High certainty of timely payment. Liquidity factors are strong and the risk of non-payment is small.

Group 2 - Reasonable certainty of timely payment. Liquidity factors are sound, although ongoing funding needs may enlarge financing requirement. The risk of non-payment is small.

Group 3 - Satisfactory liquidity factors and other factors which qualify the entity as investment grade. However, the risk factors of non-payment are larger.

None of the financial assets that are fully performing have been renegotiated in the last year.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

48. FINANCIAL INSTRUMENTS (Continued)

48.1 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2020								
Non-interest Bearing		0.00%	161,418,937	161,418,937	-	-	-	-
			177,773,345	177,773,345	-	-	-	-
30 June 2019								
Non-interest Bearing		0.00%	104,760,676	104,760,676	-	-	-	-
			130,181,624	130,181,624	-	-	-	-

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual

Description	Note ref in AFS	Average effective Interest Rate	Total	6 Months or less	6 - 12 Months	1 - 2 Years	2 - 5 Years	More than 5 Years
	#	%	R	R	R	R		R
30 June 2020								
Non-interest Bearing		0.00%	68,988,772	68,982,272	6,500	-	-	-
Variable Interest Rate Instruments		6.56%	141,032,193	141,032,193	-	-	-	-
			210,020,965	210,014,465	6,500	-	-	-
30 June 2019								
Non-interest Bearing		0.00%	80,036,458	80,036,458	-	-	-	-
Variable Interest Rate Instruments		7.74%	214,227,546	214,227,546	-	-	-	-
			294,264,003	294,264,003	-	-	-	-

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

49. 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, whilst 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 R28,654,661 (2019: R26,001,803) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

49.1 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

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.

The fund is closed for membership and no new members are allowed to join the fund.

No information could be obtained.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

49.2 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 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 Councillors 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 Actuary certified that the Fund was in a sound financial condition as at 30 June 2015, in that the assets 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 moratorium 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.

RELATED PARTY TRANSACTIONS

All Related Party Transactions are conducted at arm's length, unless stated otherwise.

50.1 Compensation of Related Parties

Name of Related Person	Designation	Description of Related Party Relationship	2020	2019
S. Meleni	Official	Wife of councillor Meleni	474,411	281,045
GE Coenraad	Official	Daughter of councillor Coenraad	288,764	0

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

50.2 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	219,050	560,128
Faulkner Bouers	B. Faulkner	Official	Director is the uncle of this employees	66,300	61,200
Kwa Nandipha Catering	P. Dondashe	Official	Husband of director	15,325	28,280
Algoatime	J. Beda	Official	Husband of the director	-	20,100
Amahle Waste Recycling	NI Dela (Emp 1959)	Ward Committee Member	NI Dela is the director/owner of the company	99,850	7,020
Unomtha Catering	Z Gxuluwe	Official	Daughter of the director	11,520	
Mesrazest	J Hammond	Official	Brother in Law of Director	1,086,900	673,940
Infraforce Africa (Pty) Ltd	E. Sekula	Official	Owner was employed at KLM	24,460	165,955
Mggandu & Coco Trading	C. Mggandu	Official	Husband of Director	85,620	282,247
21st Century Contractors & Transport	S. Prinsloo	Official	Wife of Director	-	-
GGs Engineering	J. Nhlangulela	Official	Director	154,982	234,591
Malubongwe General Trading (Pty) Ltd	H. U. Geleba	Official	Husband of Director	17,800	55,095
JZA Trading (Pty) Ltd	K. Vumazonke	Official	Niece of Director	-	28,600
RE Le Grange t/a RL Trading	J Hammond	Official	Brother in law of sole prop	46,200	-
Martinash Trading (Pty) Ltd	J Savage	Official	Director was an employee from KLM from 1/09/1994 - 27/08/2010	130,130	-
Terr Trillion Friendly (Pty) Ltd	V Yake	Official	Cousin of the director	21,600	-
Total Purchases				1,979,737	2,117,156

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.

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 likelihood of successfully defending the claims, as well as the timing and possible costs thereof cannot be determined at this time.

51.1 Court Proceedings:	61,990,685	59,529,870
(i) EA Plaatjies / Kouga Local Municipality: A civil litigation action has been instituted against Kouga Municipality 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.	0	1,800,000

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	R	R
(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	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	41,000,000	41,000,000
(iv) Various claims arising from alleged negligence by the Municipality due to damages sustained by the Plaintiffs.: Civil Claim for damages. Awaiting instructions with regards to appointment of quantity surveyor.	47,711	0
(v) Tshepega Civil Engineers (Pty) Ltd / KOUGA Local Municipality Claims for monies owed for professional services rendered	1,900,355	
(v) Various claims due to municipal administrative matters under dispute or investigation:	3,040,599	727,851.39

52. CONTINGENT ASSETS

The municipality was not engaged in any transaction or event during the year under review involving Contingent

-

52.1 Insurance Claims:

1,804,382 **197,655**

(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 R1,804,382 (2019: R197,655) will be recovered.

1,804,382 197,655

53. IN-KIND DONATIONS AND ASSISTANCE

No In-kind Donations or Assistance were received during the year under review.

54. PRIVATE PUBLIC PARTNERSHIPS

The municipality was not a party to any Private Public Partnerships during the year under review.

55. EVENTS AFTER THE REPORTING DATE

55.1 2020/21 Adjustments Budget:

The 2020 National Supplementary Budget was delivered by the Minister of Finance in Parliament on the 24th of June 2020. The 2020 Supplementary Budget responds to the Covid-19 pandemic and its impact on the economy. This include the R20 billion allocation for local government announced by the President to assist in funding COVID-19 expenditure. This allocation consists of R11 billion added to the local government equitable share and just over R9 billion that was repurposed for the provision of water and sanitation and for sanitising public transport facilities within existing grant allocations to local government. In terms of Section 28(2)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Section 23(3) of the municipal Budget and Reporting Requirements (MBRR), municipalities must adjust their 2020/21 MTREF budgets to account for revised funding allocations that were made available.

The municipality used this adjustments budget to reprioritise the 2020/21 budget to respond to the impact of the COVID-19 pandemic on the budget.

The following adjustments to Grant Funding were received:

	2020/21 Main	Adjustments	2020/21 Adjusted
	Allocation	R	Allocation
	R		R
Equitable Share	145,612,000	20,388,000	166,000,000
Total Adjustments to Grant Funding		20,388,000	

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

56. PRINCIPAL AND AGENT ARRANGEMENTS

Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The Municipality undertakes to handle Motor vehicle license issuing on behalf of the Department of Transport and Province and collects a commission of 22% plus VAT.

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

The Resources regarding the Licensing Department, remain there own and do not form part of the municipality's Financial statements

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal(s) that have been recognised by the entity have a Net Effect of RX that is still owed by the municipality and will be paid over to the Department of Transport in the new financial year.

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Categories	Additional details
Licensing Fees	Income collected on behalf of DOT and Provincial Transport for Motor Vehicle registration

57. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 43.).

58. COVID-19 EXPENDITURE

Background Information

On 31st December 2019 the government in Wuhan, China, confirmed that health authorities were treating dozens of pneumonia cases of unknown cause. A few days later, Chinese researchers identified a new virus which had infected many people in Asia, but at that point in time there was no evidence that the virus was readily spread by humans. The first death in China as a result of the virus was reported on 11th January 2020, shortly before one of China's biggest holidays whereby millions of people travelled across the country. According to the first situation report by World Health Organisation (W.H.O), the first confirmed cases outside China had occurred in Japan, South Korea and Thailand by 20th January 2020. The next day the USA reported their first confirmed case where a man in his 30s developed symptoms after returning from his trip to Wuhan, China.

A "public health emergency of international concern" was officially declared by the W.H.O. on 30th January 2020. On 11th February 2020 the W.H.O. proposed that 'Covid-19' be the official name for the disease that the coronavirus causes, an acronym that stands for coronavirus disease 2019. On 14th February 2020 France announced a death by from coronavirus. This was the fourth death from the virus outside of mainland China. On 23rd February 2020 Italian officials locked down 10 towns after a cluster of cases emerged near Milan. The World Health Organisation declared the COVID-19 outbreak as a global pandemic on 11th March 2020.

COVID-19 in South Africa

Although the coronavirus was international news since December 2019, it was only on 5th March 2020 that the South African National Institute for Communicable Diseases confirmed that a suspected case of COVID-19 had tested positive. On 23rd March 2020 President Cyril Ramaphosa announced the nationwide lockdown. On 30th March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

Thus, there will not be any prior year information regarding expenditure in lieu of COVID-19.

KOUGA LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 R	2019 R
The table below indicates the total COVID-19 response expenditure (excluding VAT) for the period ending 30 June 2020:		
COVID-19 EXPENDITURE		
Capital Expenditure		
Machinery and Equipment	1,192,000	-
Total Capital Expenditure	<u>1,192,000</u>	<u>-</u>
Operating Expenditure		
Materials and supplies	1,984,692	-
Total Operating Expenditure	<u>1,984,692</u>	<u>-</u>
Total COVID-19 Expenditure	<u>3,176,692</u>	<u>-</u>

The table below indicates the Funding Sources for the total COVID-19 response expenditure (excluding VAT) for the period ending 30 June 2020:

	2020 R	2019 R
COVID-19 FUNDING		
Funding Sources for COVID-19 Expenditure		
Disaster Management Grant	1,192,000	-
Own Revenue	1,984,692	-
Total Funding for COVID-19 Expenditure	<u>3,176,692</u>	<u>-</u>

GOING CONCERN ASSESSMENT

Management considered the following matters relating to the Going Concern:

- (i) On 26 June 2020 the Council adopted the 2019/2020 to 2022/23 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.

The COVID-19 pandemic continues to have a devastating impact on the macro economy and a significant component of the institutions which operate therein. The municipality has not been immune to the impact of the pandemic. The impact and duration of the COVID-19 pandemic in the Province and Kouga's jurisdiction is uncertain at the date of this submission. Management of the municipality is however of the opinion that regardless of the possible effect of the COVID-19 pandemic, the municipality will continue to operate for the foreseeable future, which is usually regarded as at least the next 12 months from the reporting date, however not limited to this timeframe.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****OFFICE OF THE MUNICIPAL MANAGER****DATE: 31 MARCH 2021****ITEM NO: 21/03/MM3****SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2019/20 FINANCIAL YEAR:
AMENDMENT OF SDBIP TARGETS FOLLOWING THE MID-YEAR PERFORMANCE
ASSESSMENT****1. Introduction**

It is the purpose of this report to submit to Council proposals for the adjustment of non-financial targets in the 2019/20 Service Delivery and Budget Implementation Plan.

An extract from the adjustments made to the Capital Budget is attached hereto for reference as Annexure "A".

2. Legislative provisions

Section 54(1)(c) of the MFMA provides as follows with regard to the review of the SDBIP:

"54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

(a) consider the statement or report;

(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;"

3. SDBIP review

Proposed amendments to the Institutional SDBIP is as per the schedule attached hereto as Annexure "C" where the adjustments budget changes to the capital projects are reflected with the initial Quarter 3 and 4 targets and proposals on the amendment of such targets.

The principle applied in the proposals for the amendment of the SDBIP is that under performance in quarters 1 and 2 does not justify changing targets to ensure achievement, but rather that adjustments in targets be considered where the funding for the project has been adjusted.

It is however correct that in some instances under performance in quarters 1 and 2 resulted in budget adjustments for projects for the mere reason that it would be impossible to achieve the target within the time remaining and as such funds were reallocated to projects which can be achieved.

As for the Operational SDBIP which is focused on areas of operation of senior managers, changes to the Operational SDBIP were necessitated largely for uniformity and to address matters raised by Audit. The changes to the Operational SDBIP are reflected in Annexure "D".

Adjustments to the SDBIP for the 2019/20 year shall have a result that the individual performance plans of the Municipal Manager and other Senior Managers be adjusted accordingly through addenda to performance agreements.

The adjustment of performance plans shall be affected on approval of the amended non-financial targets in the 2019/20 SDBIP.

Amendments to the financial performance information in the 2019/20 SDBIP following the adjustments budget is reflected in Annexure B.

The adjusted Institutional and Operational SDBIP for the 2019/20 year is attached hereto as Annexure "D".

4. Recommendation

- 4.1 That in terms of the provisions of Section 54(1)(c) of the MFMA, the proposed amendments to the institutional and operational targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure "D" be approved.
- 4.2 That in terms of the provisions of Section 54(1)(c) of the MFMA, the amendments to the financial targets of the 2019/20 Service Delivery and Budget Implementation Plan as set out in Annexure "C", that resulted from the adoption of the Adjustments Budget be noted.
- 4.3 That the Municipal Manager affects the required changes to the performance plans to ensure that the performance plans are aligned to the SDBIP targets for the 2019/20 year.

Item prepared by

: **Manager: Performance Management Systems**

A Koegelenberg

Item approved by

: **The Municipal Manager**

KOUGA MUNICIPALITY (EC108)**SPECIAL COUNCIL MEETING****OFFICE OF THE MUNICIPAL MANAGER****DATE: 31 MARCH 2021****ITEM NO: 21/03/MM4****DRAFT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN: 2021/22**1. Introduction

It is the purpose of this report to submit the Draft 2021/22 SDBIP for to Council for information.

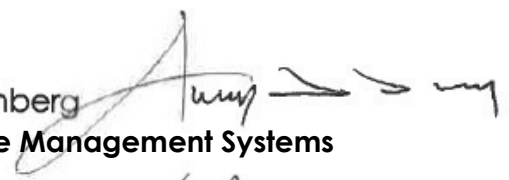
2. Comment

Preparation of the final SDBIP is subject to IDP and budget approval.

It must be noted that at the time of the preparation of this report the draft budget for the 2021/22 was not finalized and as such the draft 2021/22 IDP which guides the SDBIP was also not completed to guide in the preparation of the draft SDBIP.

3. Recommendation

- 3.1 That the Draft 2021/22 Service Delivery and Budget Implementation Plan be noted.

Item prepared by**: Manager: Performance Management Systems**A Koegelenberg **Item approved by****: The Municipal Manager**



Service Delivery & Budget Implementation Plan

Year: 2021/2022

KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Strategic Objective	SDO1: To ensure that the municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution.													
Directorate	Office of the Municipal Manager													
Division	Performance Management													
Function	Performance Management													
SOD:1.1	EXECUTIVE SUPPORT: To provide office management service to the Municipal Manager													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Performance oversight	Number of Senior Managers subjected to quarterly performance review	6	6		6		6		6		6			MM
	Number of Institutional performance reports submitted to Council	4	4		1		1		1		1			MM
KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Strategic Objective	SDO1: To ensure that the municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution.													
Directorate	Office of the Municipal Manager													
Division	Internal Audit and Risk Management													
Function	Risk Management													
SOD:1.2	RISK MANAGEMENT AND INTERNAL AUDIT: To assess municipal risks and provide and independent appraisal of the adequacy and effectiveness of financial controls in the municipality													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Risk Monitoring	Number of Risk Management Meetings Held	4	4		1		1		1		1			MM
	Number of Senior Management	New	6		-		6		6		6			Manager Internal Audit

	Quarterly Performance reports subjected to internal audit													
KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Strategic Objective	SDO1: To ensure that the municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution.													
Directorate	Office of the Municipal Manager													
Division	Integrated Development Planning													
Function	Integrated Development Planning													
SOD:1.3	INTEGRATED DEVELOPMENT PLANNING: To develop and coordinate a credible Integrated Development Plan that will address the developmental needs of the community.													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Strategic Planning	Number of IDP Process Plans submitted to Council by 31 August 2021	1	1		1		-		-		-			Manager IDP
	Number of draft IDP's submitted to Council by 31 March 2022	1	1		-		-		1		-			Manager IDP
	Number of Final IDP's submitted to Council by 31 May 2022	1	1		-		-		-		1			MM
	Number of Ward Public meetings to determine Ward Priorities	15	15		-		7		8		-			Manager IDP
	Number of IDP Representative Forum Meetings held	3	3		-		1		1		1			Manager IDP
	Number of Ward based	1	1		-		1		-		-			Manager IDP

	planning sessions with Ward Committees													
	Number of Strategic Planning Sessions to review IDP objectives	1	1		-		1		-		-			Municipal Manager
	Number of approved IDP's uploaded to Web Site by 15 June 2021	1	1		-		-		-		1			Manager IDP
KPA	GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
Strategic Objective	SDO1: To ensure that the municipal services are administered in accordance with the objectives of local government as prescribed in Chapter 7 of the Constitution.													
Directorate	Office of the Municipal Manager													
Division	Performance Management													
Function	Performance Management													
SOD:1.4	PERFORMANCE MANAGEMENT: To develop, maintain and monitor the institutional pErformance management system/SDBIP in the municipality.													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Performance Planning	Number of draft SDBIP's submitted to Council by 31 March 2022	1	1		-		-		1		-			Manager PMS
	Number of SDBIP's submitted to the Mayor for approval within 14 days of adoption of the Annual Budget	1	1		-		-		-		1			MM

Key Performance Indicator	Baseline	2021/2022: Quarterly Targets											Vote number and budget	Responsible Person
		Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022				
				Target	Actual	Target	Actual	Target	Actual	Target	Actual			
Number of approved SDBIP's submitted to Council by 31 July 2022	1	1		-		-		-		1				MM
Number of Performance Agreements concluded before 31 July 2021	6	6		6		-		-		-				MM
Number of Performance Management Policies reviewed	0	1		-		-		-		1				Manager PMS
Number of signed performance agreements submitted to Council by 31 August 2021	6	6		6		-		-		-				Manager PMS
Number of Performance Agreements uploaded to Web Site by 5 September 2021	6	6		6		-		-		-				Manager PMS

Performance oversight	Number of Senior Managers subjected to quarterly performance review	6	6		6		6		6		6			MM
	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
	Number of Institutional performance reports submitted to Council	4	4		1		1		1		1			Manager PMS
	Number of Institutional Performance reports submitted to the Performance Audit Committee	4	4		1		1		1		1			Manager PMS
	Number of Performance reports submitted to MPAC	4	4		1		1		1		1			Manager PMS
	Number of Annual Draft Performance Reports submitted to the AG by 31 August 2022	1	1		1		-		-		-			Manager PMS
	Number of Performance Audit Committee Meetings	4	4		1		1		1		1			MM

	Number of service provider performance reports submitted	New	4		1		1		1		1			All Directors
--	--	-----	---	--	---	--	---	--	---	--	---	--	--	---------------

[illegible]

[illegible]

	sanitation in formal residential areas converted to water based sanitation systems													
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO2: Directorate Infrastructure and Engineering Services													
Directorate	Infrastructure and Engineering Services													
Division	Electricity distribution and supply													
Function	Electricity													
SOD:2.2	ELECTRICAL SERVICES: To manage the provision and maintenance of electrical services													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Electrical Services	% electricity losses	18%	16%		-		-		15%		16%			Director I&E
	% Capital Budget Expenditure on electrical projects	95%	100%		5%		45%		35%		15%			Director I&E
	% expenditure of Department of Energy Grant funding	95%	100%		5%		45%		35%		15%			Director I&E
	% of formal residential areas serviced by Kouga Municipality with access to electricity	100%	100%		100%		100%		100%		100%			Director I&E

[illegible]

KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO2: Directorate Infrastructure and Engineering Services													
Directorate	Infrastructure and Engineering Services													
Division	Project Management													
Function	Project Management													
SOD:2.4	PROJECT MANAGEMENT: To manage the coordination and implementation of project management processes with regard to engineering projects (MIG, EPWP and other grant funded projects)													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Municipal Infrastructure Grant	% MIG expenditure	100%	100%		5%		45%		35%		15%			Director I&E
KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO3: Directorate Planning, Development and Tourism													
Directorate	Planning, Development and Tourism													
Division	Town Planning and Building Control													
Function	Building Control													
SOD:3.1	TOWN PLANNING AND BUILDING CONTROL: To manage the rendering of spatial and land use planning, surveying, valuations and building control services													
Focus Area		Baseline	2021/2022: Quarterly Targets											

	Key Performance Indicator		Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022		Vote number and budget	Responsible Person
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Building Control	% of building plans approved within 30 days of submission of a compliant building plan	100%	100%		100%		100%		100%		100%			Director PDT

KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO3: Directorate Planning, Development and Tourism													
Directorate	Planning, Development and Tourism													
Division	Housing													
Function	Housing													
SOD:3.2	HUMAN SETTLEMENTS: To manage the funding administration of housing projects and administration of housing processes of housing applications provisioning to ensure proper service delivery to the community													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
KPA	LOCAL ECONOMIC DEVELOPMENT													
Strategic Objective	SDO3: Directorate Planning, Development and Tourism													
Directorate	Planning, Development and Tourism													
Division	LED and Tourism													
Function	Local Economic Development													
SOD:3.2	DEVELOPMENT (LED) AND TOURISM: To plan and develop a coherent and integrated framework for local economic development and tourism													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Local Economic Development	Number of LED Forum	4	4		1		1		1		1			Director PDT

	Meetings Held													
	% Budget expenditure for LED programs and projects	90%	100%		10%		40%		30%		10%			Director PDT
	Number of jobs created through LED initiatives and Capital Projects	736	750		100		400		200		50			Director PDT
	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
Target	Actual	Target			Actual	Target	Actual	Target	Actual					
Number of LED training opportunities provided to SMME's and entrepreneurs	4	4		1		1		1		1			Director PDT	
KPA	INFRASTRUCTURE AND BASIC SERVCIE DELIVERY													
Strategic Objective	SDO4: Directorate Community Services													
Directorate	Community Services													
Division	Parks and Public Spaces													
Function	Public Amenities													
SOD:4.1	PUBLIC AMENITIES: To manage the provisioning and maintenance of caravan parks/ resorts, play parks, sports fields, community halls, beaches, public ablution facilities and cemeteries to the community													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Cemeteries	Number of cemetery master plans developed by 30 June 2022	0	1		-		-		-		1		Director Community Services	

KPA	INFRASTRUCTURE AND BASIC SERVCIE DELIVERY													
Strategic Objective	SDO4: Directorate Community Services													
Directorate	Community Services													
Division	Solid Waste Management													
Function	Waste Management													
SOD:4.2	SOLID WASTE MANAGEMENT: To coordinate all functions/powers regarding solid waste management assigned to the municipality													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Solid Waste	Number of Solid Waste Management Strategies reviewed by 30 June 2022	1	1		-		-		-		1			Director Community Services
	% of formal households provided with a refuse removal service once a week	100%	100%		100%		100%		100%		100%			Director Community Services
	% increase on coverage of refuse removal service in informal areas	5%	10%		-		2%		2%		1%			Director Community Services
	% of commercial enterprises provide with a refuse removal service 3 times per week	100%	100%		100%		100%		100%		100%			Director Community Services

KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO4: Directorate Community Services													
Directorate	Community Services													
Division	Environmental Health Services													
Function	Environmental Health Management													
SOD:4.3	ENVIRONMENTAL HEALTH: To ensure that visitors and residents have a safe and healthy environment													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Water quality control	Number of water samples submitted for bacteriological and chemical analysis	420 (Bact) 140 (Chem)			420 (Bact) 140 (Chem)		420 (Bact) 140 (Chem)		420 (Bact) 140 (Chem)		420 (Bact) 140 (Chem)			Director Community Services
Health surveillance of premises	Number of premises subjected to Environmental Health inspections	740	780		195		195		195		195			Director Community Services
	% of commercial enterprises provide with a refuse removal service 3 times per week	100%	100%		100%		100%		100%		100%			Director Community Services
	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Environmental Protection	Number of Environmental Awareness	0	2		-		1		-		1			Director Community Services

	campaigns conducted													
KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO4: Directorate Community Services													
Directorate	Community Services													
Division	Protection Services													
Function	Fire and Disaster Services													
SOD:4.4	FIRE AND DISASTER: To provide effective and efficient fire and disaster management services													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Disaster Management														
	Number of Disaster Risk Management Advisory Committee Meetings	0	4		1		1		1		1			Director Community Services
	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Climate Change	Number of Climate Change Strategies Developed by 30 June 2022	0	1		-		-		-		-1			Director Community Services
	Number of Climate Change projects implemented in collaboration with German partners	0	1		-		-		-		1			Director Community Services

KPA	INFRASTRUCTURE AND BASIC SERVICE DELIVERY													
Strategic Objective	SDO4: Directorate Community Services													
Directorate	Community Services													
Division	Special Programmes													
Function	Special Programmes													
SOD:4.5	SPECIAL PROGRAMMES: To coordinate and manage all special programmes to address special needs in society													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Vulnerable groups	Number of meetings of the Kouga Woman's Forum	0	4		1		1		1		1			Director Community Services
	Number of meetings of the Kouga Youth Forum	0	4		1		1		1		1			Director Community Services
	Number of meetings of the Vulnerable Groups Forum	0	4		1		1		1		1			Director Community Services

KPA	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION													
Strategic Objective	SDO5: Directorate Corporate Services													
Directorate	Corporate Services													
Division	Human Resources													
Function	Human Resources													
SOD:5.1	HUMAN RESOURCES: To render human resources management and support services to the municipality that will sustain the optimum utilization of the municipality's human capital													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 December 2021		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Organizational Structure	Number of Organograms reviewed by 30 June 2022	1	1		-		-		-		1			Director Corporate Services
Employment Equity	Number of people employed in the 3 highest levels of management as per the Employment Equity Plan	7	3 AF 4 AM		-		-		-		3 AF 3 AM			Director Corporate Services
	Number of Employment Equity Reports submitted to Dept Labour by 15 January 2022	1	1		-		1		-		-			Director Corporate Services
Skills Development	% expenditure of budget allocation for skills development	90%	100%		5%		25%		50%		20%			Director Corporate Services
	Number of Work Place Skills Plans submitted to	1	1		-		-		-		1			Director Corporate Services

[illegible]

Strategic Objective	SDO6: Directorate Finance													
Directorate	Finance													
Division	Budget and Treasury													
Function	Financial Reporting													
SOD:6.1	BUDGET AND REPORTING: To manage and control the implementation of budget policies and procedures, statements and reporting processes to ensure legislative compliance.													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Financial Reporting	% compliance with financial reporting as per national treasury reporting calendar	100%	100%		100%		100%		100%		100%			CFO
KPA	FINANCIAL VIABILITY AND MANAGEMENT													
Strategic Objective	SDO6: Directorate Finance													
Directorate	Finance													
Division	Expenditure													
Function	Expenditure													
SOD:6.2	EXPENDITURE: To administer the recording, authorization and reporting of expenditure transactions													
Focus Area	Key Performance Indicator	Baseline	2021/2022: Quarterly Targets										Vote number and budget	Responsible Person
			Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
Creditor Payments	% of creditors paid within 30 days of receipt of invoice (Excluding disputed matters)	100%	100%		100%		100%		100%		100%			CFO

[illegible]

	Key Performance Indicator		Annual Target	Revised Target	Ending 30 September 2021		Ending 31 Dec 2019		Ending 31 March 2022		Ending 30 June 2022		Vote number and budget	Responsible Person
					Target	Actual	Target	Actual	Target	Actual	Target	Actual		
ICT Systems	% up-time of ICT system	90%	100%		100%		100%		100%		100%			CFO
ICT Policies	Number of ICT Policies reviewed by 30 June 2022	1	1		-		-		-		1			CFO

[illegible]

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
CORPORATE
SERVICES

KOUGA MUNICIPALITY (EC108)**SPECIAL COUNCIL MEETING****CORPORATE SERVICES****DATE: 31 MARCH 2021****ITEM NO: 21/03/CORP1****ACTING POLICY: SECTION 57 MANAGERS**1. Introduction

The purpose of this item is to present to Council the new draft Acting Policy for Section 57 Managers.

2. Background

There is a need for Council to establish a guiding framework when appointing and remunerating an Acting Municipal Manager.

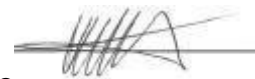
The attached policy is therefore presented to Council for approval.

3. Recommended

3.1 That the Acting Policy: Section 57 Managers be approved by Council.

3.2 That the Acting Policy: Section 57 Managers be published on the Kouga Website.

Item prepared by : **Manager: Human Resource**



Item approved by : **Director: Corporate Services**



Item Endorsed by the Portfolio Chairperson



	ACTING POLICY: SECTION 57 MANAGERS	Doc: PO-Acting
		Version: 1
		Approved by Council. Date: / / .2021

TABLE OF CONTENTS

1. Policy Purpose	38
2. Policy Scope.....	39
3. Policy Definitions	39
4. Legislative Framework	39
5. General Policy Provisions	39
5.2. Municipal Manager	39
6. Leave Arrangements in Respect of Persons Appointed To Act as a Municipal Manager:	40
7. Performance Management.....	40
8. Acting appointment procedure.....	40
Approved By Council	

1. Policy Purpose

- 1.1. Council acknowledges that from time to time the Municipal Manager, due to certain circumstances (such as death, resignation, leave, etc.) may not be in a position to discharge his/her duties and responsibilities in terms of the contract of employment.
- 1.2. The purpose of the policy is the following:
 - 1.2.1. To ensure that continuity of operations in the Council is maintained during the absence of the Municipal Manager.
 - 1.2.2. To provide a policy guideline for the handling of acting arrangements in the position of the Municipal Manager.
 - 1.2.3. To provide a policy guideline within which the acting arrangements can occur, and acting allowance may be paid.

2. **Policy Scope**

This policy is applicable to:

- 2.1. All section 56 Managers acting in the position of the Municipal Manager.

3. **Policy Definitions**

- 3.1. "council" means the municipality.
- 3.2. "acting" refers to where an employee, by written approval of the Executive Mayor or Municipal Manager is appointed to act as the Municipal Manager.

4. **Legislative Framework**

- 4.1. The Council remains responsible to continually align this policy content with all the relevant legislation.
- 4.2. Appointing a Section 57 Manager as the Acting Municipal Manager is regulated amongst other in the following legislation:
 - 4.2.1. Local Government Municipal Systems Act no 32 of 2000.

5. **General Policy Provisions**

- 5.1. The powers of Council and the Municipal Manager in terms of this policy may be delegated as Council or the Municipal Manager may determine.
 - 5.1.1. Any acting appointment must be made in writing and the incumbent must accept the acting appointment in writing before the acting commences.
 - 5.1.2. It must be unequivocally stated that no expectation is created when an official is appointed as Acting Municipal Manager.
- 5.2. **Municipal Manager**
 - 5.2.1. In the absence of the Municipal Manager any other Section 56 employee shall be appointed by the Executive Mayor or delegated authority to act as Municipal Manager.
 - 5.2.2. Any person appointed to act as Municipal Manager must at least have skills, expertise, competency and qualifications as prescribed.
 - 5.2.3. Any acting appointment contrary to the Systems Act is null and void.
 - 5.2.4. The Municipal Manager or the delegated authority must authorise the payment of an acting allowance to an employee who acts as Municipal Manager during his/her absence.
 - 5.2.5. An acting allowance is only payable when an employee acts as a Municipal Manager for a minimum of 5 uninterrupted consecutive working days.

- 5.2.6. An acting appointment as Municipal Manager exceeding 14 days must be condoned by Council.
- 5.2.7. The Section 56 employee who acts in the post of the Municipal Manager will be paid the difference between his/her remuneration package and that of the Municipal Manager.
- 5.2.8. The acting allowance payable in terms of this policy shall be fully taxable and included in the monthly salary of the acting employee.

5.3. Termination of Acting Position

- 5.3.1. When the acting is terminated a written handover report must be submitted by the acting appointee on the status of the functions to the delegated authority.
- 5.3.2. Failure to submit the required handover report may result in the acting and acting allowance being forfeited.

6. Leave Arrangements in Respect of Persons Appointed To Act as a Municipal Manager:

- 6.1. Where the acting employee has been granted leave, the payment of any acting allowance and associated benefits shall be forfeited for the period in respect of which the employee has been granted leave provided that any interruption in the period of acting shall be considered to be part of the period of acting if occasioned by any of the following:
 - 6.1.1. Illness supported by a medical certificate for periods up to two (2) days.
 - 6.1.2. Family bereavement for periods up to two (2) days.
 - 6.1.3. Subpoenaed to appear in court as a witness for periods up to two (2) days.

7. Performance Management

- 7.1. An employee who is appointed to act as Municipal Manager will be required to adhere to the Performance Management regulations of 2006, as well as the Municipality's PMS policy.

8. Acting appointment procedure

- 8.1. An acting appointment must be in writing from the delegated authority, and the incumbent must accept the acting appointment in writing before the acting commences.
 - 8.2. An acting appointment must be forwarded to the Human Resource section before the 10th of every month for the acting allowance to be processed with that month's payroll.
 - 8.3. No retrospective acting appointments shall be considered.
-

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
INFRASTRUCTURE
AND
ENGINEERING

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****INFRASTRUCTURE & ENGINEERING****DATE: 31 MARCH 2021****ITEM NO: 21/03/I&E1****APPLICATION FOR DONATION BY THE GAMTOOS IRRIGATION BOARD**1. Introduction

The purpose of this item is to request Council's approval to avail, by way of a donation, a certain monetary contribution to the Gamtoos Irrigation Board.

2. Background

The Municipality is in the process of implementing its low-cost housing project in Hankey Stofwolk. The said housing project shares a common boundary with the Gamtoos Irrigation Boards' (GIB) canal servitude and syphon system.

Currently the said canal and syphon system area is not fenced, but due to the fact that unrestricted access to the said area poses an immediate threat to the residents of the housing project, it is strongly advised that the area be fenced off. This is to safeguard the residents as well as the infrastructure of the Gamtoos Irrigation Board (GIB).

The GIB intends to fence the canal servitude which shares a common boundary with the Stofwolk housing project. In view hereof and subsequent to discussions with them, they have requested that the municipality contribute by way of a donation of 50% of the costs to erect an adequate fence and to install security cameras for monitoring purposes.

The 50% contribution requested by GIB from KLM, amounts to R300,000.00 VAT excluded. See breakdown of costs as attributed to KLM, as set out below.

Description:		Inclusive Price:	
Fencing to separate housing erven from the canal and syphon system.			
Erven RE/17,245, RE/250 and 2326 Hankey			
1) Instalation of a live camera monitoring system.		R	90 000,00
2) Fencing material for a 2,4m fence of 1181m (Concrete poles)		R	110 000,00
3) Labour		R	70 000,00
3) Materials and equipement in establishing the fence.		R	30 000,00
Sub total:		R	300 000,00
VAT at 15%		R	45 000,00
Total:		R	345 000,00

3. Comment: Municipal Manager

The Municipal Manager is in support of this donation as it is believed that it is of the utmost importance to safeguard the community of the housing project.

4. Comments by Acting Director: Infrastructure and Engineering

The erection of a fence is of utmost importance to prevent access to the open canal system and to safeguard the community from being exposed to the live threatening danger posed by the open canal system.

5. Comments by CFO

An amount of R300 000 (exclusive of VAT) has been budgeted. Therefore, sufficient budget is available for the donation.

6. Financial implications

The proposed donation is in the amount of R300 000.00 VAT excluded (Three Hundred thousand Rand) and the following budgetary provision is available:

Directorate: Executive and Council
U-key number: 20210304980957
Available budget: R300,000.00 Excluding VAT

7. Applicable Policy Provision

The approved Donations Policy applies in respect of this intended donation.

Guidelines to consider as provided in clause 6.1 of the Policy:

- 6.1 *The office bearers of the Municipality may consider applications for donations received from organizations and bodies complying with the following guidelines:-*
 - 6.1.1 *the functions of the applying organization or body as well as the purpose of the donation must align with the strategic goals and objectives of the Municipality, and provided for in the approved Integrated Development Plan (IDP),*
 - 6.1.2 *the organization or body operating as a legal entity according to their constitution must be based in the Kouga Municipal area or at least have a local office in the Kouga Municipal area, and*
 - 6.1.3 *Non-profit organizations, educational organizations, libraries, museums, culture organizations, social clubs, community-based organizations, special needs organizations, charitable organizations serving the poor, will be considered for donations.*

8. Discussion

Council is requested to consider the requested donation, especially in light of clause 7.3 of the Donations Policy, which provides that "the amount of any one donation approved by an office bearer may not exceed the amount of R5000, save for special merit cases which must be duly motivated and recorded. Should the office bearer intend to donate an amount in excess of the R5000 threshold, the application must be referred to Council for approval.

9. Recommendations

- 9.1 That the application for donation be approved in the amount of R300 000 VAT excluded (Three hundred thousand Rand) only.
- 9.2 That the Municipal Manager be authorised to enter into a written Memorandum of Agreement with Gamtoos Irrigation Board in respect of the donation so approved.

Item prepared by : The Manager: Civils

Item approved by : The Acting Director: Infrastructure & Engineering 

Item noted by the Portfolio Councillor

W P D Gertenbach

**GAMTOOS-
BESPROEINGSRAAD**

Posbus 237 P.O. Box
Patensie 6335
Web: www.gamtooswater.co.za



**GAMTOOS
IRRIGATION BOARD**

Telefoon/Telephone: (042) 007 0382
Faks/Fax: (087) 806 7484
E-pos/E-mail: info@gamtooswater.co.za

Service Provider for DEA's Natural Resource Management Programme

16 October 2020

The Municipal Manager
Kouga Municipality
33 Da Gama Road
Jeffreys Bay
6330

Att: Mr Charl du Plessis

Dear Sir

CSD number: MAAA0061808

**HOUSING AND ASSOCIATED FACILITIES, AS WELL AS INFRASTRUCTURE ON
PORTIONS OF ERVEN RE/17,245, RE/250 AND 2326 HANKEY**

The Board refers to the above housing development which intends to move residents of Stofwolk to an earmarked municipal area in Hankey.

This area borders 562.34 meters of our canal system. The system consists of:

- an **open** canal where water is discarded when the system needs to be emptied,
- a part of our main canal (also open) which conveys water from Kouga dam to Loerie dam and supplies water to agricultural in the Gamtoos valley as well as municipal residents in the Kouga and Nelson Mandela Bay Municipality
- and a branch canal which supplies water to the agricultural users of Klein river.

During peak flows, water flow at 2500 liters p/s in the system.

Only a planned road separates the housing development from these structures, which poses a major concern to the safety of residents who has already relocated on a temporary basis to this area.

It is understood that communal basic services are available.

The residents' safety is at risk for being so close to the canal system, and there is a possibility of contamination of our water source.

Proper measures of safety should be included in the plan to ensure that the residents of Hankey are kept safe from and out of the canal system.

After discussion with yourself it is understood that the cost will be shared between the irrigation board and the municipality. We are part of the government's central data base. **We have prepared an invoice for half of the cost as requested in the amount of R300 000.00 excluding VAT.** Should you require details regarding the contents of the invoice, please do not hesitate to contact us.

Your assistance will be greatly appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rienne Collesky', written over the printed name.

RIENETTE COLESKY

CEO

Gamtoos Irrigation Board P O Box 237 Patensie '6335 Supplier number: MAAA0061808 Phone: 042-2830329 Fax: 042-2830382 VAT nr: 4820184432	Tax Invoice KM_10/2020															
The Municipal Manager Kouga Municipality 33 Da Gama Road Jeffreys Bay '6330	Date: '16/10/2020															
<table border="1"> <thead> <tr> <th data-bbox="261 810 975 840">Description:</th> <th data-bbox="975 810 1220 840">Inclusive Price:</th> </tr> </thead> <tbody> <tr> <td data-bbox="261 846 975 1153"> Fencing to separate housing erven from the canal and syphon system. Erven RE/17,245, RE/250 and 2326 Hankey </td> <td data-bbox="975 846 1220 1153"> R 300 000,00 </td> </tr> </tbody> </table>		Description:	Inclusive Price:	Fencing to separate housing erven from the canal and syphon system. Erven RE/17,245, RE/250 and 2326 Hankey	R 300 000,00											
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Rienne Giesky
 Gamtoos Irrigation Board
 Chief Executive Officer
 info@gamtooswater.co.za
 083 703 0428

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
COMMUNITY
SERVICES

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

COMMUNITY SERVICES

DATE: 31 MARCH 2021

ITEM NO: 21/03/CS1

POLICY FOR VACANT PROPERTY MANAGEMENT, CLEANING AND CLEARING

1. Purpose

The purpose of this report is to submit, for the adoption and approval of the Council, the following:

- Policy for Vacant Property management, cleaning and clearing and
- Protocol that has to be followed by the relevant stakeholders when implementing and enforcing legislation pertaining to the management, cleaning and clearing of vacant properties.
- This policy replaces the "Policy on Vacant Land/Plot Clearing (ITEM No. 18/12) CORP8

2. Background

A large number of vacant properties are located within the area of jurisdiction of the Kouga Municipality that requires management, cleaning and clearing. Cleaning and clearing of vacant properties has to be undertaken when the following conditions occur thereon:

- Health nuisances;
- Health hazards;
- Health risks;
- Security and safety risks; and
- Fire hazards

The Council is obligated in terms of legislation to ensure that its area of jurisdiction is kept free from any of the aforementioned conditions. The Council is also obligated in terms of legislation to ensure that land and surface pollution, wind borne pollution and water pollution is prevented. The legal framework and obligations placed upon the Council are set out and defined in "Policy on vacant property management, cleaning and clearing" to this report.

The management, cleaning and clearing of vacant properties will also prevent urban decay, devaluation of properties and disinvestment, which has to be avoided and prevented at all costs.

3. Discussion

The "Policy on Vacant Property Management, Cleaning and Clearing" was workshopped with relevant internal departments as well as external stakeholders including the Department of Environment, Forestry and Fisheries. It was presented at the Council's Policy workshop meeting on 12 March 2021 and all recommended changes incorporated.

3.1 Responsibility to ensure that vacant properties are managed, cleaned and cleared to satisfaction:

The responsibility to ensure that vacant properties are managed, cleaned and cleared to satisfaction in terms of applicable legislation was traditionally placed upon Environmental Health and Fire Services. The reasons being as follows:

- Environmental Health and Fire Services has the capacity to ensure that legislation in this regard is enforced.
- The conditions of neglected properties in one way or another, impact directly on the health and well-being of members of the public and communities, which necessitates the direct involvement and intervention of Environmental Health and Fire Services.

The actions that have to be taken includes an inspection of the property in question, the serving of a compliance notice on the owner thereof, a re-inspection or re-inspections of the property, referral to an in-house team or contractor for the cleaning and clearing thereof at the cost of the owner thereof, and further re-inspections to ascertain whether the in-house/contractor has delivered the required service. It may also be deemed necessary to issue the owner with a "Notice to appear in Court" (Fine/Summons).

3.2 Delegation of Powers

The Environmental Health By-laws on the one hand makes provision for the removal of health nuisances and health hazards from premises. The Kouga Municipality Community Fire Safety By-law, P.N. 6454/2007 – Prevention of fire hazards on properties on the other hand makes provision for the cutting of any grass, leaves or weeds on premises that may pose a fire hazard (It indirectly also poses safety and security risks). This requires inspection of premises and serving of compliance notices on the owners thereof by both Environmental Health Services and Fire Services at the same time.

3.3 Determination of Charges for the management, cleaning and clearing of vacant properties.

The owners of vacant properties are responsible to ensure that their properties are maintained in a clean, tidy and sanitary condition at all times, free from any health nuisances and/or health hazards. They are also responsible to maintain their properties in such conditions that they do not pose any fire hazards, including safety and security risks.

Environmental Health and Fire Services in effect, when enforcing applicable legislation, manage vacant properties on behalf of the owners thereof. The cleaning and clearing of plots on behalf of owners is costly. This impacts on the human and financial resources of the Council. The Council's tariff structure makes provision for the recovering of the costs.

4. Financial implications

Community Services has allocated budget under hire charges in the 2020/2021 and outer year budgets. The cost of cleaning and clearing by Council be included on the services account of the landowner.

5. Policy implications

This report is in line with the National and Provincial Government Policies and the Council's priorities on the health and well-being, as well as the safety and security of the public.

6. Legal and Constitutional implications

The Council is, in terms of the Constitution of the Republic of South Africa, 1996 (Act No 108. of 1996), the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the National Health Act, 2003 (Act No. 61 of 2003) and the Council's Environmental and Community Fire Safety By-law, obligated to ensure that the health, safety and well-being of the public is safeguarded. The Council is responsible to ensure that the applicable legislation is implemented and enforced.

It is of vital importance that all the legislation applicable to the cleaning and clearing of vacant properties be implemented and enforced with the aforementioned in mind. A strict approach has to be adopted.

7. Communications implications

It will be necessary for the Council's Communication Department to communicate this policy and protocol to the media in order to create a better understanding and awareness by the owners of properties and the general public of their responsibilities and rights and of those issues relating to the management, cleaning and clearing of vacant properties.

8. Recommendation

- 8.1 That the Policy For Vacant Property Management, Cleaning and Clearing be approved.
- 8.2 That the Policy For Vacant Property Management, Cleaning and Clearing be published on the Kouga Website.

Item prepared by : Director Community Services 

Item noted by : Portfolio Head 



KOUGA LOCAL MUNICIPALITY

LAND/ PLOT / PUBLIC OPEN SPACE CLEARING POLICY

CONTENTS:

1. Definitions and Abbreviations
2. Background
3. Purpose and Objectives
4. Legislative Framework
5. Principles
6. Desired Outcomes
7. Responsibilities of Plot Clearing Team
8. Non - Compliance
9. Review
10. Annexure

1. DEFINITIONS AND ABBREVIATIONS

Alien Species:	A species that is not an indigenous species; or an indigenous species translocated or intended to be translocated to a place outside its natural distribution range in nature, but not an indigenous that has extended its natural distribution range by natural means of migration or dispersal without human intervention;
Combustible material:	Combustible refuse, combustible waste or any other material capable of igniting;
Fire hazard:	Any situation, process, material or condition which may cause a fire or explosion or provide a ready fuel supply to increase the spread or intensity of the fire and which poses a threat to life or property;
Fire danger:	The chance of a veld fire occurring or an existing veld fire getting out of control and if so the anticipated rate at which and intensity with which it will burn;
Erven/Plot:	A plot of land, usually urban, marked off for building purposes. Is a small piece of land, especially one that has been measured or marked out for a special purpose, such as building houses or growing vegetables;
Urban area:	An urban area means land that is under the control of a local authority, but excluding any commonage and any other land under such control which in the opinion of the executive officer is utilized for agricultural purposes;
Fire risk:	Is the likelihood that a fire will occur as a result of a fire hazard and its extent and severity of the damage (harm potentially) which may be caused;

Green Belt (s):	A land use designation for areas set aside as undeveloped natural areas surrounding or within urban areas;
Hazard:	Any physical situation with the potential to cause a harm to a vulnerable target;
Health Hazard:	Any hazard with the potential to cause danger to a person's health;
Health Nuisance:	A situation or state of affairs that endangers life or health or adversely affects the well-being of a person or community;
Herbicide:	A chemical substance (weed killer) that is registered in terms of Fertilizer, Farm Feeds and Remedies Act (Act 36 of 1947) to control or destroy specified plants in accordance with the directions for the use of such a weed killer;

Invasive Alien Vegetation:	Vegetation that is declared invasive in terms of the Conservation of Agriculture Resources Act, No. 43 of 1998, that landowners are legally required to remove from their property, and which are deemed to be a verified fire hazard in terms of this policy;
Land:	All privately-owned land or state-owned land developed or undeveloped within the urban edge;
Land Clearing:	All actions required to ensure that the land is cleared so as minimize health and fire hazard conditions on the land; that rubble, dead and dry vegetation and waste material is removed;
Protected tree	A tree any species declared to be protected, or belonging to a group of trees, woodland or species declared to be protected, under section 12(1) or 14(2): (i) of the National Forestry Act;
Tree:	Includes any tree seedling, sapling, transplant or coppice shoot of any age and any root, branch or other part of it;
Land owner:	Any person (including a company, close corporation or trust) in whose name the land is registered, or if such land has been purchased but not yet registered, such a purchaser. Also, a person who has the right of ownership even though the land has not been registered in such a person's name. If the person is not residing in South Africa, or if that person cannot be found, a representative will be regarded as the owner;
Land/Plot user:	Any person (including a company, close corporation or trust) who is the owner of the land, or who leases the land or who has any legal right to use the land or the plants or other organic matter from the land, whether that person lives on the property or not;
Municipality:	Kouga Municipality, a local authority duly established in terms of the Local Government: Municipal Structures Act, no 117 of 1998 with its head office situated at Da Gama Road, Jeffreys Bay, Eastern Cape;
Nature Reserve:	An area with such a municipal zoning or which has been declared as a Protected Area in terms of the National Environmental Management: Protected Areas Act No. 57 of 2003;

Overgrown:	Plot/erven/land covered with grass, plants, weeds and trees that are growing thickly in an uncontrolled way;
Open Land:	Refers to non-built-up land with no, or with insignificant, vegetation cover;
Park Land:	Land with clumps of trees and shrubs and lawned areas mainly used for recreational purposes;
Public Open Space:	An open space of land both green space or hard space to which there is public access;
Plot:	All privately owned plot/erven;
Plot Clearing:	All actions required to ensure that hazardous conditions are minimized on private and state-owned land; that rubble is removed and that vegetation is thinned;
Public Nuisance:	Any act, omission or condition on any premises, including any building, structure, or growth thereon, which is offensive or dangerous, or which materially intErferes with the ordinary comfort, convenience, peace, or quiet of other people or which adversely affects the safety of the public;
Resort:	A place that is a popular destination for vacations or recreation, or which is frequented for a particular purpose;
Responsible Official:	An official of the Kouga Municipality with the delegated responsibility for fire prevention, prevention of health nuisance;
State-owned land:	Also known as government-owned property, which includes national, provincial and local government land;
Vacant Land:	Land / plot/erven that has no structures or houses on it;
Ward Committees:	A committee representing the interest of residents in a demarcated municipal ward established in terms of Section 73 of the Municipal Structures Act, Act 117 of 1998;
Waste material:	Excessive rubble, rubbish, other debris or waste creating a nuisance or health hazard.

2. BACKGROUND

Vacant land or erven/plots and road reserves, when overgrown with grass, indigenous and/or invasive alien vegetation or covered with rubble and / or any objectionable material, serves as an ideal hiding place for vermin, pests or vagrants and is likely to cause a fire or health risk or nuisance to surrounding environment.

Vacant land or erven and road reserves in the entire Kouga Area are predominantly in the coastal areas such as Jeffreys Bay, Paradise Beach, Aston Bay, St Francis Bay, Cape St Francis Bay and Oyster Bay. Most of these lands, erven and road reserves are unmaintained and overgrown with indigenous and invasive alien vegetation due to property owners not committing to their obligation in maintaining their properties and complying with applicable legislation.

When such risks / nuisances exist, it becomes the responsibility of the Municipality to identify the responsible person(s), i.e. owner of the overgrown land or erven and instruct them to take the appropriate corrective actions to minimize, rectify or remove such risks / nuisances as Council's aspiration is to promote a safe and healthy environment.

This policy is applicable to all land in the municipal area that is unmaintained and overgrown with vegetation, irrespective of zoning and ownership, which, in the opinion of Council, is likely to cause a fire, health of any other hazard. The policy addresses the needs of the community. The community has expressed the need for action on removing the threats and risks associated with overgrown and unmaintained land.

3. PURPOSE AND OBJECTIVES

PURPOSE

- 3.1 This policy is in response to the communities expressed need, and Council's desire to promote a safe and healthy environment.
- 3.2 To give effect to legislation and relevant by – laws. Despite it being an offence for landowners to allow their land to become a fire hazard or health risk and or a nuisance, risking a fine or imprisonment, it is apparent that many do not take seriously their obligation to comply with the relevant bylaws.

- 3.3 To lay down the principles, procedures and processes required to manage and control the clearing of overgrown privately, public and state owned immovable property which, in the discretion of the Municipality, poses a fire, safety and security as well as a health risk, due to excessive vegetation, combustible waste material and having vagrants living on the properties.
- 3.4 To protect the environment and communities that is surrounded by natural overgrown bush areas that endangers them.
- 3.5 To comply with National Legislation

OBJECTIVES

- 3.6 To significantly and progressively reduce the number, extent (area covered) and severity of unplanned vegetation fires by drastically and permanently reducing the fuel load.
- 3.7 To significantly reduce the negative impact of uncontrolled vegetation fires on life, buildings, infrastructure and possessions.
- 3.8 To identify and verify health and fire hazards as well as safety and security risks at all privately-owned, state- owned properties and public open spaces in the Kouga Municipality.
- 3.9 To co-ordinate and ensure the removal or reduction of security, health and fire risks by informing owners of such hazards.
- 3.10 To inform residents and owners of the best practice methods with respect to the clearing and removal of such health and fire hazards, and
- 3.11 To ensure that all privately and state-owned land and public open spaces conforms to the minimum standards as determined by the policy.

4. LEGISLATIVE FRAMEWORK

The Policy gives effect to the following legislation:

- 4.1 Chapter 7 Section 152(d) of the Constitution of the Republic of South Africa, Act 108 of 1996 - Promotion of a safe and healthy environment;
- 4.2 Section 83 of the National Health Act, 2003 (Act No. 61 of 2003), - Environmental Health Investigations.
- 4.3 Annexure A, Section 21 of the National Environmental Health Norms and Standards for Premises and Acceptable Monitoring Standards for Environmental Health Practitioners – Standards for Vacant Land.

- 4.4 Chapter 1, Section 3 (k) of the Kouga Municipal By – Laws on Prevention of Public Nuisances and Keeping of animals – General Provisions Relating to Public Nuisance.
- 4.5 Sections 4 and 34 of the Kouga Municipality Community Fire Safety By-law, P.N. 6454/2007 – Prevention of fire hazards on properties;
- 4.6 Fire Brigade Services Act, No. 99 of 1987 as amended – Prevention of fires;
- 4.7 Local Government: Municipal Finance Management Act, No. 56 of 2003 – Prescribed regulations regarding financial aspects of local government;
- 4.8 Local Government: Municipal Systems Act, No. 32 of 2000 – Prescribed regulations with regards to the functions of a municipality;
- 4.9 National Forestry Act, No. 84 of 1998 = Prohibition on destruction of trees in natural forests;
- 4.10 National Environmental Management Act, No. 107 of 1998- Environmental Authorisations
- 4.11 National Biodiversity Act, No.10 of 2004- Application for permits
- 4.12 The Kouga Community Fire Safety bylaw
Chapter 7: Fire hazards. 36 (2)
- 4.13 The Kouga Environmental Health bylaw - Part One: Prevention and suppression of health nuisance.

5. PRINCIPLES

- 5.1 All officials of Kouga Municipality, officers appointed to manage and control plot clearing, all residents, land/plot owners and appointed agents, shall be subject to the contents of the Policy and follow this procedure and any processes described.
- 5.2 All owners of private and state-owned land or plots will be subject to the contents of this Policy.
- 5.3 Land, plot or property owners are obligated to maintain all their property in such a manner that it shall be hazardous free.
- 5.4 As plot clearing is a service rendered by the Municipality, the actual and overhead costs shall be collected through the fees charged to the defaulting property owners.

- 5.5 Each land owner is obligated to comply with the standards determined by the Municipality.
- 5.6 Areas such as road verges, municipal gardens, fire breaks or sport fields where continuous maintenance occurs (as is set out in Category B1 to B5) is exempted from the requirements mentioned in paragraph 5 above.
- 5.7 Environmental Legislation and other applicable regulations and requirements must be observed when land / plot clearing activities are planned in wetland, mountainous or green belt areas

6. DESIRED OUTCOMES

- 6.1 A significant and measurable reduction in the number of unplanned vegetation fires, reduction in risk to life, buildings and infrastructure.
- 6.2 A significant reduction in the coverage of invader plants (primarily rooikrans) and bush encroachment.
- 6.3 Informed residents, who understand and appreciate the approach being taken by the administration with regard to reducing vegetation fire, health hazards.
- 6.4 More landowners voluntarily becoming and remaining compliant
- 6.5 Increased availability of government grants and assistance from government funded initiatives, e.g. Working on Water; Working on Fire.

7. ROLES & RESPONSIBILITIES

- 7.1 The owner or person in charge of a premises, erven or land must not permit vegetation to grow or accumulate thereon in a manner to likely cause a fire or health hazard or other threatening danger.
- 7.2 No person shall allow any erven or plot of land to be overgrown with bush, weeds, grass or other vegetation except cultivated trees, shrubs and grass to such an extent that in the opinion of council it may be used as a shelter by vagrants, wild animals, or vermin.
- 7.3 Officials with delegated authority for the verification of health and fire hazards shall have the final decision as to when and how a property shall be cleared, subject to the Municipality's by-laws, policies and directives. If a property is found not to be a health or fire hazard but is in breach of other municipal or relevant legislation, the matter will be delegated to the relevant department(s) for further action.

- 7.4 The standards for land / plot clearing will be set by Council and amended when necessary
- 7.5 A notice period will be determined in respect of the removal of hazardous conditions described in the policy.
- 7.6 Compliance notices will be served to the land / plot owners per registered mail / post or electronic mail.
- 7.7 The Kouga Municipality is empowered by its By-law to enter upon a property to do whatever is deemed to be necessary to remove hazards. Noncompliance of the regulated standards will result in the municipality exercising its powers.
- 7.8 The relevant fees for clearing the property will be billed against the defaulting owner's municipal account.
- 7.9 Kouga Municipality must take the necessary legal action against defaulting owners, should the Municipality not be able to recover the cost of clearing any plot on behalf of its owner(s).
- 7.10 Land / plot owners are obligated to comply with the provisions of the relevant Kouga Municipal By – Laws. Failure to comply with the provisions of this section or any notice lawfully given thereunder is an offence.

8. NON - COMPLIANCE

- 8.1 It is a criminal offence to ignore the regulations and to allow species to grow in contravention of them. A criminal case may then be brought against the land user.
- 8.2 Should it become necessary for the Municipality to take remedial action to clear the land / plot, the full cost thereof will be recoverable from the land owner. The actual cost will include the cost of clearing the land / plot and the administrative fees as determined by the Municipal Tariff structure. This cost will be billed against the owner's municipal account. The municipality will annually determine the administrative costs of plot clearing function.
- 8.3 If a land user does not comply with the regulations the Department may issue a directive setting a date by when the property must be cleared.
- 8.4 If the directive is ignored the Department can clear the land or engage someone (such as Working for Water or an implementing agent or an emergent contractor) to do so.

- 8.5 The costs of this clearing *must* be recovered from the land user and can also be registered against the title deeds of the property in terms of the Agricultural Credit Control Act. This is then like a mortgage bond. The property can't be sold until these moneys have been repaid.
- 8.6 That the Chief Financial Officer ensures that statements for the recovery of expenditures made in respect of the cleaning and clearing of vacant properties, which are submitted by Environmental Health and or Fire Services, are processed and that any expenditure is recovered without delay and that should the owner of any property be in default of payment of his/her account such account be subject to credit control action.

9. REVIEW OF THIS POLICY

This policy should be reviewed every five years, coinciding with the Integrated Development Plan (IDP) review cycle.

10. ANNEXURE:
1. PROCEDURE FOR LAND / PLOT CLEARING:

No.	Action	Responsible Section
Standard Operating Procedure		
1.	Identification of overgrown land / erven / environmental sensitive areas by inspection / investigation of complaints	Environmental Health Fire Parks Environmental Management (EM)
2.	Submission of list for issuing of notices for private overgrown land/erven	Environmental Health Fire
3.	1 st compliance notice to owner of private overgrown erven (<i>Footnote 1</i>)	Environmental Health
4.	2 nd compliance notice to owner private overgrown erven (<i>Footnote 2</i>)	Environmental Health
5.	Issuing of fire risk notices to responsible owner of private overgrown land / erven (<i>Footnote 3</i>)	Fire
6.	Issuing notices for state / government owned land	Parks
7.	Advise owners of overgrown environmental sensitive areas to apply to Forestry & Environmental Affairs for authorisations to clear. (<i>Footnote 4</i>)	EM
8.	Inspection after notice period has lapsed with photographic evidence to verify the condition of plot (cleared / not cleared)	Environmental Health Fire
9.	If not cleared, compilation and submission of lists of private overgrown erven to be cleared to	Environmental Health Fire
Procedure for remedial action		
1.	Appointments of SMME / Bush Clearing Team to clear the land / erven as per submitted list	Waste & EM Fire Parks
2.	Inspection of cleared plots to verify work done (with photographic evidence)	Environmental Health Fire Parks
3.	Submission of list of cleared plots to the office with evidence	Environmental Health Fire
4.	Compiling & submission of memorandum to finance department for billing	Waste & EM Fire
5.	If the property owner fails to comply with the fire risk notice issued for overgrown land, a criminal case will be opened	Fire
Procedure for cost recovery		
1.	Billing of owner's account for work done	Finance

Footnote 1. The first notice is valid for 14 Days

Footnote 2. The second notice is valid for 7 days

Footnote 3. Fire Risk Notice valid for 30 Days

Footnote 4. Application for License regarding trees in natural forest

2. GUIDELINES AND MINIMUM STANDARDS FOR CLEARING VEGETATION:

1. Grass may not be longer than 30cm
2. Invasive alien vegetation must be eradicated and treated with herbicide, as applicable, to prevent re – growth,
3. Indigenous vegetation shall be reduced as per Section 12 of the policy
4. All garden refuse, building rubble and excess combustible material shall be removed from the property and disposed of at a relevant municipal landfill / disposal site.
5. Private land / plot owners are advised to use contractors that are skilled and have the knowledge in clearing invasive alien plants properly
6. Milkwood and other protected plant species may only be removed, cut or controlled in accordance to the determination of the Minister of Agriculture, Forestry and Fisheries. In urban areas, Milkwoods may be trimmed by a maximum of 25% without obtaining a permit. Topping of tree crowns and of trees growing in a natural forest ecosystem is excluded from this exemption. Destruction of protected trees or natural forest or any other protected / endangered plant species without a permit obtained from the department of Agriculture, Forestry and Fisheries is a criminal offence.

3. CATEGORIES

The methods or techniques used for clearing properties are defined in the following categories:

Category	Privately owned land / plots		Method of clearing	Required municipal standards
	Type of vegetation	Area		
A1	Long grass	No conservation status	Manual	Grass shall not exceed a height of 30cm
A2	Mixed invasive alien vegetation and indigenous vegetation	No conservation status	Manual	Eradication and removal of all invasive alien vegetation. All combustible deadwoods, refuse, litter and other verified fire and health hazards shall be removed. Grass shall not exceed a height of 30cm. Maintain safe distance between possible / future fire hazards. Create and maintain adequate perimeter fire breaks as determined by the fire department
A3	Indigenous vegetation - fynbos etc	No conservation status	Manual	Trees and shrubs to be trimmed from ground up by one third of high. Reduce fynbos fire loading by a minimum of 50%. All combustible deadwood, refuse, litter and other verified fire and health hazards shall be removed. Create and maintain adequate perimeter fire breaks as determined by the fire department
A4	Majority of invasive alien vegetation	Protected areas / Conservancy	Manual	Eradication and removal of all invasive alien vegetation. All combustible deadwoods, refuse, litter and other verified fire and health hazards shall be removed. Grass shall not exceed a height of 30cm. Maintain safe distance between possible / future fire hazards. Create and maintain adequate perimeter fire breaks as determined by the fire department
A5	Mixed invasive alien vegetation and indigenous vegetation	Protected areas / conservancy	Manual	Eradication and removal of all invasive alien vegetation. All combustible deadwoods, refuse, litter and other verified fire and health hazards shall be removed. Grass shall not exceed a height of 30cm. Maintain safe distance between possible / future fire hazards. Create and maintain adequate perimeter fire breaks as determined by the fire department
A6	Majority of invasive alien vegetation	No conservation status	Manual	Eradication and removal of all invasive alien vegetation. All combustible deadwoods, refuse, litter and other verified fire and health hazards shall be removed. Grass shall not exceed a height of 30cm. Maintain safe

				distance between possible / future fire hazards. Create and maintain adequate perimeter fire breaks as determined by the fire department
A7	All private vacant land	No conservation / protected	Manual or mechanical	Eradication and removal of all building rubble as determined by the Department of Town Planning
B	Municipal Reserves, Parks and other Vacant Land			
	Type of vegetation	Area	Method of Clearing	Required Municipal Standard
B1	Green Belts	Protected areas / Conservancy	Manual	Eradication and removal of all alien vegetation. Remove excessive buildup of deadwood and refuse or litter. Complete removal of combustible refuse. Create and maintain adequate perimeter fire breaks determined by the Fire Department.
B2	Nature Reserves	Protected Areas / Conservancy	Manual	Eradication and removal of all alien vegetation. Remove excessive buildup of deadwood and refuse or litter. Complete removal of combustible refuse. Create and maintain adequate perimeter fire breaks determined by the Fire Department.
B3	Park Land	No conservation status, protected areas / conservancy	Manual	Eradication and removal of all alien vegetation. Scheduled grass cutting and maintenance of flower beds. Complete removal of combustible deadwood, refuse and all hazards. Create and maintain adequate perimeter fire breaks determined by the Fire Department.
B4	Public Open Spaces / Road Verges	No conservation status, protected areas / conservancy	Mechanical or manual	Eradication and removal of all alien vegetation. Complete removal of combustible deadwood, refuse and all hazards. Create and maintain adequate perimeter fire breaks determined by the Fire Department.
B5	Resorts	No conservation / conservancy	Mechanical or manual	Eradication and removal of all alien vegetation. Scheduled grass cutting and maintenance of flower beds. Complete removal of combustible deadwood, refuse and all hazards. Create and maintain adequate perimeter fire breaks determined by the Fire Department.
			by circumstances	
B6	All Land	No Conservation / Protected	Manual / mechanical	Eradication and removal of all building rubble as determined by the Department of Town Planning

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
PLANNING
AND
DEVELOPMENT

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****PLANNING AND DEVELOPMENT****DATE: 31 MARCH 2021****ITEM NO: 21/03/PD1****TRANSFER OF RESIDENTIAL SITE: HISTORIC CONDITION OF SALE: ERF 1331 PELLSRUS: PIENAAR FAMILY****1. Introduction**

The purpose of this item is to inform Council of the request from the Pienaar Family that a standard residential Erf be transferred to them in line with condition of sale between Council and the previous land owner of Erf 335 portion 63 of which Erf 1331, Pellsrus was subdivided from as a separate Erf.

2. Background

The Buchner Trust (original owners of the land) sold a portion of land, known as portion 63 of the Farm Klein Zeekoeirivier No 335 to the Jeffreys Bay Municipality in 1995 on condition that Mrs Pienaar and the Voorslag family be given 2 houses and that these must be transferred to their names.

Only Mrs Voorslag received her house. The Pienaar Family therefore has the right to have a residential Erf as per the original sale agreement.

The Pienaar Family has visited the Council Offices on a few occasions indicating that they would now like to exercise their right in respect of the above condition. ** (See annexure A)

3. Comments

This specific matter has been tabled previously at the Land Alienation Committee and it was resolved that a residential Erf be subdivided from Erf 1331 in line with the conditions of the sale agreement, however the item has not find its way to an Council Meeting to date.

Notwithstanding the above, a Council resolution was taken on 7 March 2018 to investigate the possible rezoning and sub-division of erven zoned as public open spaces including Erf 1331, for Council to develop the land in the future.

ERF/AREA	EXTENT	ZONING	VALUATION	COUNCIL RESOLUTION
6858 Ocean V	1552 m ²	Open space 1	R160 000	<u>7 March 2018</u> That the possibility of re-zoning be investigated.
1331 Pellsrus	2446 m ²	Open space 1	R24 000	<u>7 March 2018</u> That the possibility of sub-division be investigated. That the possibility of re-zoning to Authority 2 be investigated.
356 Pellsrus	460 m ²	Open space 1	R20 000	<u>7 March 2018</u> That the possibility of re-zoning to Authority 2 be investigated
7413 Ocean V	1823 m ²	Open space 1	R20 000	<u>7 March 2018</u> That the possibility of re-zoning to Authority 2 be investigated That the buildings on Erf 7413 be investigated.

Erf 1331 is a vacant municipal Erf which has an extent of 2446m² and zoned as "Public Open Space" in accordance with the Jeffreys Bay Zoning Scheme.
 **(See annexure A & B).

Should Council resolve to approve the application for the transfer of one Erf herein, the property must first be formally closed as a public open space and rezoned to applicable zoning.

4. Financial Implications

There will be financial implications for the Council in respect of the transfer cost of the property to the Pienaar Family.

5. Legal Implications

The Municipality shall be responsible for all legal costs associated with the transfer of property to the Pienaar Family.

6. Recommendation

- 6.1 That Council **grant approval** for the subdivision of a standard size residential Erf from the remainder of Erf 1331, Pellsrus and transfer such Erf in favour of the Pienaar Family.
- 6.2 That Council grant approval for the closure of a public open space with regard to the subdivided Erf contemplated in (a) and that transfer herein be dependent on the formal closure of the public open space.
- 6.3 That the Council be responsible for the costs associated with the closure of public open space and transfer of property.

Item prepared by : Acting Manager Land

Item approved by : The Director: Planning, Development & Tourism

Item endorsed by : The Municipal Manager

Item noted by the Portfolio Chairperson



Annexure "A"

026333 693.
 (X) MAREE

MEMORANDUM VAN OOREENKOMS

Aangegaan deur en tussen:-

DIE OORGANGSRAAD VAN JEFFREYSBAAI

hierin verteenwoordig deur **GERT JACOBUS GROENEWALD**
 in sy hoedanigheid as Stadsklerk
 (hierna genoem die Raad)

en

Die Trustees indertyd van die
LORRAINE MARTHA PATERSON TRUST

en

Die Trustees indertyd van die
G GLENNY BUCHNER TRUST

en

Die Trustees indertyd van die
G OSWALD BUCHNER TRUST

die bogemelde Trusts verteenwoordig
 deur **DAVID WILLIAM LAMBIE PATERSON**
 behoorlik daartoe gemagtig
 (hierna genoem die Trusts)

en

Die "Buchner Groep" - verskeie regspersone
 soos genoem in Aanhangsel C hiertoe verteenwoordig deur
DAVID WILLIAM LAMBIE PATERSON

20/11/11

Aangesien die Trusts die geregistreerde eienaars in onverdeelde aandele is van die grond bekend as die Restant van Gedeelte 63 van die Plaas Estate Klein Zeekoerivier No. 335 in die Munisipaliteit van Jeffreysbaai Afdeling van Humansdorp Groot 138,1910 hektaar en;

Aangesien die provinsiale owerheid 'n gedeelte van die voormelde grond, groot ongeveer 12,5 hektaar ingevolge artikel 19 van die Wet op Minder Formele Dorpsstigting Nr. 113 van 1991, vir die vestiging van minder formele behuising onteien het (sien sketskaart gemerk Aanhangsel "A") en;

Aangesien die Raad 'n verdere ongeveer 30 hektaar van die gemelde grond wens te bekom vir verdere ontwikkelingsdoeleindes (hierna genoem "die eiendom" - sien sketskaart gemerk Aanhangsel "B") en;

Aangesien die Trusts bereid is om die eiendom aan die Raad te verkoop en;

Aangesien die Trusts en ook ander maatskappye, beslote korporasies en trusts (sien Aanhangsel "C" vir besonderhede) hierna genoem die "Buchner Groep" sekere bedrae geld aan die Raad verskuldig is uit hoofde van belastinge, dienstegelde, ander heffings en sekere koste (sien Aanhangsel D), en;

Aangesien daar ook 'n verskeidenheid ander aangeleenthede bestaan waaroor die partye tot vergelyk kom en op hierdie wyse op rekord wil plaas;

NOU DERHALWE GETUIG HIERDIE AKTE

1. VERKOOP VAN EIENDOM

Die Trusts verkoop hiermee aan die Raad wie in koop aanneem 'n gedeelte van die Restant van gedeelte 63 van die plaas Estate Klein Zeekoerivier No. 335 in die Munisipaliteit van Jeffreysbaai Afdeling van Humansdorp - groot ongeveer 30 hektaar (soos aangedui op Aanhangsel "B") hierna genoem die Eiendom - en wel op die volgende voorwaardes en terme:-

1.1 Die koopprys

Die koopprys is die som van R600 000.00 (SESHONDERD DUISEND RAND) betaalbaar in kontant op datum van registrasie van transport van die eiendom uit naam van die Trusts in naam van die Raad.

Die partye kom egter ooreen dat die Raad die gehele koopprys of enige gedeelte daarvan mag aanwend om die belastinge wat die Buchner Groep en die Trusts aan die Raad verskuldig is, af te los en sal 'n kwitansie uitgereik deur die Raad met betrekking tot aflossing van die verskuldigde belastinge geag word bewys te wees van betaling van daardie gedeelte van die koopprys.

W. A. L.

1.2 Registrasie van Transport

Transport van die eiendom sal deur bemiddeling van MNRE C W MALAN & KIE, Posbus 273, JEFFREYSBAAI ten gunste van die Raad geregistreer word nadat die onderverdelings diagramme waarvan hierinlater melding gemaak word, beskikbaar gestel is en die Trusts die betrokke titelakte oorhandig het.

1.3 Besit

Besit van die gemelde eiendom sal deur die Trust aan die Raad gegee en deur die Raad van die Trust geneem word op datum van ondertekening hiervan, waarna die risiko in die eiendom sal oorgaan op die Raad.

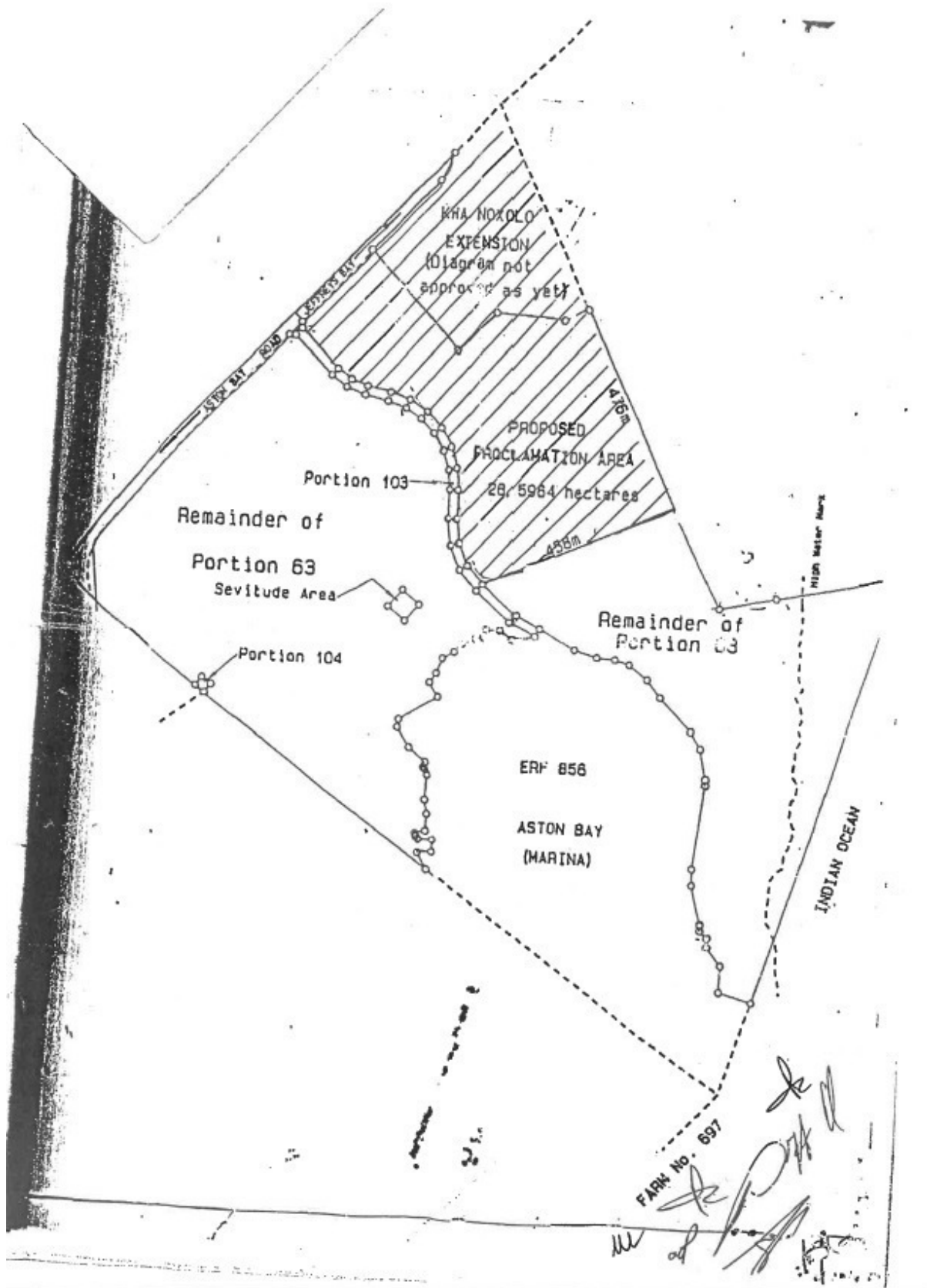
1.4 Besondere voorwaardes

1.4.1 Hierdie ooreenkoms is daaraan onderhewig dat die Raad die twee woonhuise wat deur die Pienaars en Voorslaggesin bewoon word sonder vergoeding aan die twee gesinne sal oordra wanneer die eiendom verder ontwikkel word. Tot tyd en wyl die twee gesinne onderskeidelik die geregistreerde eienaars van die twee huise word sal hulle geregtig wees om dit gratis te bewoon, maar sal hulle nie geregtig wees om hulle woonreg en reg om geregistreerde eienaar van die huise te word te vervreem nie. Die bewoners van die twee woonhuise sal vir die gewone munisipale heffings en gelde verantwoordelik wees. Die regte hierdeur verleen sal deur Pienaar en Voorslag afgedwing mag word ewe asof hulle partye tot hierdie ooreenkoms was.

1.4.2 Die Raad neem kennis van die skikkingsooreenkoms tussen onder andere die Trusts en die Kuratore van Masterbond en Likwdateurs van die Marina Martinique Development Co (Pty) Ltd (Aanhangsel E hiertoe) en in besonder paragraaf 7 daarvan. Die partye kom dan ooreen dat indien voormelde Kuratore en Likwdateurs nie oordrag van die betrokke gedeelte van die plaas Protea neem nie en gevolglik ook nie die grond onderverdeel om aan die Trusts titel van die ongeveer 42 hektaar te gee nie, die Raad verantwoordelik sal wees vir die onderverdelings, die opmeting en koste daaraan verbonde. Ingeval van so 'n gebeurlikheid kom die partye ooreen dat die Raad op sy koste 'n Landmeter van sy keuse sal aanstel wat sal toesien vir die opmeting van die eiendomme, die voorbereiding van onderverdelings diagramme en die registrasie daarvan. Die Trusts onderneem om alle dokumente en inligting wat kan mee help om die onderverdelings proses te bespoedig aan die Raad beskikbaar te stel en vir daardie doeleindes toegang tot die eiendom aan die Raad en sy gevolmagtigdes te verleen.

[Handwritten signatures and initials]

Dr. P. J. ...





Land Parcel

16 Mar 2021 05:29

Erf	1331 of Pellrus	Zoning: Financials		PUBOS			
Address	Govan Mbeki Avenue	Zoning		Jeffreys Bay Zoning Scheme - Public Open Space			
SG Number	C03400130000133100000	Land Usage: Financials					
Municipality	Kouga	Ward: Financials					
Township/Holding: Title Deed	Pellsrus	Ward: Demarcation Board					
Suburb: Financials	Mandela Bay (40012)	Sources		Deeds Office, Surveyor General, Financials			
Centroid	34.064028554531305S 24.916826551560302E	Effective					
Sectional Title	No						
Extent	2446sqm						
Extent (SG)	2443sqm						
Extent (Title Deed)	2446 SQM						
Title Deeds							
Owner		Title Deed	Share	Purchased	Registered	Price	New No
Mun Kouga		T3149/2002	0.0000		16 Jan 2002	R	
Financial Accounts							
Account		Debtor		ID Number	Debtor Type		Owner Tenant
004001331017		Kouga Municipality (Jeffreys B			Departmental (DEPAR)		Owner (Kouga)
Properties							
Unit	26 Digit Code	Owner(s)		Scheme		Scheme Number	
0	C034001300001331000000000	Mun Kouga					
Current Municipal Information							
Valuation Date	Valuation Category	Land Value		Improvements Value	Land Area		Improvements Area
		24000		0	2446		0
Valuations and Surveys							
Project	Category / Usage		H Area	P / C	Status	Current Value	
2008 GV (from TruVal data)	Sect 8(2)(h) - Municipal (As Per MPRA)		NEW RDP		Valued	74,000.00	
2013 - 2018 DDP Valuation Roll as Printed	2h-05 (Municipal-Public Open Spaces (P.O.S.)) (Kouga)		Unknown		Valued	60,000.00	
2018 General Valuation	MUNICIPAL PROPERTY (GV2018)		Unknown		Valued	24,000.00	
SDF Proposals							
Area			Proposal				
JBay/Humansdorp			Open Space				

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****PLANNING AND DEVELOPMENT****DATE: 31 MARCH 2021****ITEM NO: 21/03/PD2****REQUEST FOR LONG-TERM LEASE AGREEMENT: BETWEEN KOUGA MUNICIPALITY AND M&J ENTERPRISE: ERF 2094, HUMANSDORP****1. Introduction**

The purpose of this item is to request Council to rescind previous council resolution and to consider the application from M&J Enterprise for a long-term lease in respect of Erf 2094, Humansdorp.

2. Background

During an Ordinary Council Meeting council resolved as follows:

14/03/AME54 LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)***Resolved: (31 March 2014)***

- i) That the application for the lease of Erf 2094, Humansdorp with an option to buy, be approved.*
- ii) That in terms of Section 14 of the Municipal Finance Management Act, Erf 2094, Humansdorp is not required for basic level of municipal service.*
- iii) That all legislative requirements be adhered to.*
- iv) That the Council obtains the fair market value of the assets and the economic and community value to be received in exchange for the assets.*
- v) That the relevant department proceeds to advertise the intention of the Council to lease Erf 2094, Humansdorp with an option to buy, to Burton Mlandu Grass Cutting & Maintenance at market related value.*
- vi) That the Council takes note and take into account the comments and objections from the public.*

However, in addition to the council decision of 31 March 2014, Council resolved on 30 May 2014 that the matter be referred to the LAC for discussion:

14/03/AME25 LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)

Resolved: (30 May 2014)

- i) *That the matter be referred to the appointed Land Alienation Committee for discussions. ** (Annexure "A")*

The matter has since stalled and the Land Alienation Committee are no longer in existence as it was replaced by the Land Evaluation Committee (LEC) in 2020 in line with the Policy and Procedures for The Disposal of Immovable Assets. Hence, the request that the previous council resolution be rescinded to be able to consider land applications on this particular property.

Subsequently, Council received an application from M&J Enterprise for the long-term lease of Erf 2094 for storage facilities.

Erf 2094 is a vacant municipal Erf measuring 6652m² that is located in the Humansdorp Industrial Area and zoned as "Industrial Zone 1". ** (See Annexure B & C)

The applicant was advised that in accordance with Council policy, the long-term lease must be approved by Council.

In addition to request for Council to consider a long-term agreement the applicant also requested clarity on the following:

- The applicant requests that the rental amount be relaxed or waived as they are a start-up SMME;
 - The lessee was advised that in view of the fact that their company is private and profit making, the fair market rental has to apply in accordance with council leasing policy.
 - An investigation on the policy clause on "beneficial occupation" to determine if it may be considered as an option to allow the lessee to occupy and use the property rent free for a maximum period of 6 months. The latter being considered as a way of assisting small businesses in these tough economic times and in line with Council's LED objectives.
- The applicant indicates that the contract does not have a clause for renewal option.
 - The option to renew will be discussed and Legal department to advise and if Agreeable amend.
- The applicant wanted to know if the improvements on property that cannot be removed from site will be retained by lessor at no charge.
 - The applicant was informed that this is a standard clause in all our contracts and will not be removed. The applicant accepted the position that it will be a retained clause in the contract.

- The applicant requested clarity on whose responsibility is it to ensure connectivity to services as this is lessors' property.
 - Council accepts that this would be a lessor's liability however the relevant department to confirm. The applicant was advised that there is a possibility of cost implications and funds not readily available from Council side.

3. Comments

The approved Policy on Leasing Municipally Owned Immovable Property provisions for long-term leases:

9.2.1 **Long Term Lease** (lease longer than 3 years)

9.2.2 **Developmental impact leases** defined as:

- Any Lease Agreement in excess of nine (9) years and eleven (11) months),
- Having an estimated value of capital outlay for the development and related operations that represent a significant capital injection to the Municipality,
- Containing a design concept that is aligned to the Growth and Development Strategy, Spatial Development Frameworks and other Kouga Municipality spatial, environmental and/or economic plans , and
- Leases anticipated to create a number of temporary and/or permanent jobs.

In respect of public participation, the following policy provisions applies:

11.4.1.1 This requirement applies to all leases of which the lease period exceeds nine (9) years and eleven (11) months. Section 21 of the Municipal Systems Act 2000 states that when anything must notified in terms of this Act or any other applicable legislation, it must be done:

- a) in the local newspaper or newspaper of its area*
- b) in the newspaper or newspapers circulating in its area and determined by council as newspaper of record.*

11.4.1.2 Process to be followed for the Public Notice

*(a) If applicable, Council's intent to enter into a Lease Agreement that exceeds nine (9) years and eleven (11) months lease period needs to be publicised in terms of Section 79 (18) (b) of the Local Government Ordinance, 17 of 1939 for a period of 14 days. **Leases not exceeding a nine (9) years and eleven (11) months lease period do not, in terms of the afore-mentioned legislation, need to be advertised.***

4. Infrastructure and Engineering

The Infrastructure and Engineering department confirmed that the Erf is not serviced and there will be a cost implication to get services to the property. The estimated cost to get services to the property to be confirmed by the I&E Department.

5. Financial Implications

Should Council resolve to so lease the property herein, the municipality will receive a monthly rental fee of R4 400.00 per month. **(See Annexure D)

The Finance Section to consider and recommend on the matter pertaining to "beneficial occupation" which allows for a lessee to occupy rent free for a maximum period of 6 months.

6. Legal Implications

Should Council resolve to lease that property to M&J Enterprise that Legal Section draft a long-term lease agreement for approval of the Accounting Officer and consideration of the applicant.

The Legal Section to give consideration to the matter pertaining to the option to renew the lease during the drafting the long-term lease agreement.

7. Recommendation

- 7.1 That Council **rescind** the previous council resolution and **grant in-principle approval** for a long-term lease with M&J Enterprise in respect of Erf 2094, Humansdorp.
- 7.2 That Council confirms that the land is not needed to **provide the minimum level of basic municipal services.**
- 7.3 That Council consider granting approval for beneficial occupation to M&J Enterprise that allow the lessee to occupy the property rent-free for a maximum period of 6 months.
- 7.4 That the Infrastructure and Engineering Department confirm the cost implication to get services to Erf 2094.
- 7.5 That the Legal Section consider the inclusion of a clause for an option to renew in the long-term lease agreement.
- 7.6 That Council grant authorization to the Accounting Officer to enter into a long-term lease agreement with M&J Enterprise for a period not exceeding 9 years and 11 months.

Item prepared by : Acting Manager Land

Item approved by : The Director: Planning, Development & Tourism

Item endorsed by : The Municipal Manager

Item noted by the Portfolio Chairperson




Annexure "A"**KOUGA MUNICIPALITY (EC 108)****MAYORAL COMMITTEE MEETING****FINANCE, ADMINISTRATION, MONITORING & EVALUATION****DATE: 27 MARCH 2014****ITEM NO: 14/03/AME25****LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)****1. Introduction**

The purpose of this report is to submit an application received from Burton Mlandu Grass Cutting & Maintenance for the lease of Erf 2094, Humansdorp in the Industrial area with an option to purchase. (Application attached hereto as Annexure "A").

The lease should be for a period of 9 years and 11 months with an option to renew after which an official offer will be submitted for consideration.

2. Background

There are a number of Industrial erven in Humansdorp that were not sold since amalgamation and the Council is losing a considerable amount of revenue on these erven.

There is a considerable market for packaging in the whole of Eastern Cape and the locality is suitable therefor.

In order for the Council to take an informed decision, a locality map that contains the Erf number, with an extent of 6652m² for Erf 2094, location and present zoning is attached as Annexure "B".

The process of any transfer or lease of immovable capital asset or any rights therein must be fair, transparent, competitive and consistent with the Disposal of Capital Assets Policy as well as any Supply Chain Management Policy adopted by the Council.

The processes which may be utilized to dispose or lease immovable capital assets are as follows:

- i. Tender;
- ii. Quotations;
- iii. Auctions;
- iv. Public Private Partnerships;

- v. Private Treaty;
- vi. Unsolicited bids;
- vii. Any other type of competitive bidding as may be appropriate.

3. Comment: Corporate Services

Chapter 7, Section 152 (1) and (2) of the Constitution (Act 108 of 1996) defines the objective of a Municipality as follows:

(1)

- **to promote 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 committees and community organizations on matters of Local Government.**

(2) A MUNICIPALITY MUST STRIVE WITHIN ITS FINANCIAL AND ADMINISTRATIVE CAPACITY TO ACHIEVE THE OBJECTIVES SET OUT IN SUBSECTION (1).

Council is furthermore in terms of section 153 of the same legislation compelled to STRUCTURE AND MANAGE ITS ADMINISTRATION AND BUDGETING AND PLANNING PROCESSING TO GIVE PRIORITY TO THE BASIC NEEDS OF THE COMMUNITY AND TO PROMOTE THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE COMMUNITY.

In order for this Council to create a platform which is linked to the unique vision, priority should this be given now to enable all stakeholders to participate through our people centered service delivery and sustainable development programmes to promote the character and the resources effectively.

The Director of Corporate Services is presenting this report to Council to be fully in compliance with the stipulatives of Section 14 of the Municipal Finance Management Act (Act 56 of 2003).

The relevant processes will be followed and implemented accordingly.

4. Financial Implication

Currently no income with regards to rates, services, etc. is being generated on the properties.

By constructing a building on the property, the value will automatically increase and will it be to the benefit of the Council in terms of income generation.

5. Recommendation

- i) That the application for the lease of Erf 2094, Humansdorp with an option to buy, be noted.
- ii) That in terms of Section 14 of the Municipal Finance Management Act, Erf 2094, Humansdorp is not required for basic level of municipal service.
- iii) That all legislative requirements be adhered to.
- iv) That the Council obtains the fair market value of the assets and the economic and community value to be received in exchange for the assets.
- i) That the relevant department proceeds to advertise the intention of the Council to lease Erf 2094, Humansdorp with an option to buy, to Burton Mlandu Grass Cutting & Maintenance at market related value.
- vi) That the Council takes note and take into account the comments and objections from the public.
- vii) That the matter be referred to the Council for approval.

14/03/AME25 LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)

Resolved: (27 March 2014)

- i) That the application for the lease of Erf 2094, Humansdorp with an option to buy, be noted.
- ii) That in terms of Section 14 of the Municipal Finance Management Act, Erf 2094, Humansdorp is not required for basic level of municipal service.

- iii) That all legislative requirements be adhered to.
- iv) That the Council obtains the fair market value of the assets and the economic and community value to be received in exchange for the assets.
- i) That the relevant department proceeds to advertise the intention of the Council to lease Erf 2094, Humansdorp with an option to buy, to Burton Mlandu Grass Cutting & Maintenance at market related value.
- vi) That the Council takes note and take into account the comments and objections from the public.
- vii) That the matter be referred to the Council for approval.

KOUGA MUNICIPALITY (EC 108)

ORDINARY COUNCIL MEETING

FINANCE, ADMINISTRATION, MONITORING & EVALUATION

DATE: 31 MARCH 2014

ITEM NO: 14/03/AME54

LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)

1. Introduction

The matter was discussed at the FAME Portfolio Committee Meeting held on 12 March 2014 and Mayoral Committee Meeting held on 27 March 2014 under item 14/03/AME25 and it was recommended that it be referred to the Council for consideration.

The purpose of this report is to submit an application received from Burton Mlandu Grass Cutting & Maintenance for the lease of Erf 2094, Humansdorp in the Industrial area with an option to purchase. (Application attached hereto as Annexure "A").

The lease should be for a period of 9 years and 11 months with an option to renew after which an official offer will be submitted for consideration.

2. Background

There are a number of Industrial erven in Humansdorp that were not sold since amalgamation and the Council is losing a considerable amount of revenue on these erven.

There is a considerable market for packaging in the whole of Eastern Cape and the locality is suitable therefor.

In order for the Council to take an informed decision, a locality map that contains the Erf number, with an extent of 6652m² for Erf 2094, location and present zoning is attached as Annexure "B".

The process of any transfer or lease of immovable capital asset or any rights therein must be fair, transparent, competitive and consistent with the Disposal of Capital Assets Policy as well as any Supply Chain Management Policy adopted by the Council.

The processes which may be utilized to dispose or lease immovable capital assets are as follows:

- viii. Tender;
- ix. Quotations;
- x. Auctions;
- xi. Public Private Partnerships;
- xii. Private Treaty;
- xiii. Unsolicited bids;
- xiv. Any other type of competitive bidding as may be appropriate.

3. Comment: Corporate Services

Chapter 7, Section 152 (1) and (2) of the Constitution (Act 108 of 1996) defines the objective of a Municipality as follows:

(1)

- **to promote 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 committees and community organizations on matters of Local Government.**

(2) A MUNICIPALITY MUST STRIVE WITHIN ITS FINANCIAL AND ADMINISTRATIVE CAPACITY TO ACHIEVE THE OBJECTIVES SET OUT IN SUBSECTION (1).

Council is furthermore in terms of section 153 of the same legislation compelled to STRUCTURE AND MANAGE ITS ADMINISTRATION AND BUDGETING AND PLANNING PROCESSING TO GIVE PRIORITY TO THE BASIC NEEDS OF THE COMMUNITY AND TO PROMOTE THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE COMMUNITY.

In order for this Council to create a platform which is linked to the unique vision, priority should this be given now to enable all stakeholders to participate through our people centered service delivery and sustainable development programmes to promote the character and the resources effectively.

The Director of Corporate Services is presenting this report to Council to be fully in compliance with the stipulatives of Section 14 of the Municipal Finance Management Act (Act 56 of 2003).

The relevant processes will be followed and implemented accordingly.

4. Financial Implication

Currently no income with regards to rates, services, etc. is being generated on the properties.

By constructing a building on the property, the value will automatically increase and will it be to the benefit of the Council in terms of income generation.

5. Recommendation

- i) That the application for the lease of Erf 2094, Humansdorp with an option to buy, be approved.
- ii) That in terms of Section 14 of the Municipal Finance Management Act, Erf 2094, Humansdorp is not required for basic level of municipal service.
- iii) That all legislative requirements be adhered to.
- iv) That the Council obtains the fair market value of the assets and the economic and community value to be received in exchange for the assets.
- ii) That the relevant department proceeds to advertise the intention of the Council to lease Erf 2094, Humansdorp with an option to buy, to Burton Mlandu Grass Cutting & Maintenance at market related value.
- vi) That the Council takes note and take into account the comments and objections from the public.

14/03/AME25 LEASE OF IMMOVABLE MUNICIPAL ASSET: ERF 2094, HUMANSDORP (INDUSTRIAL AREA)

Resolved: (30 May 2014)

- i) That the matter be referred to the appointed Land Alienation Committee for discussions.

Annexure “B”



Annexure "C"

Land Parcel

15 Mar 2021 18:46

Erf	2094 of Humansdorp		Zoning: Financials		GIND		
Address	Unknown		Zoning		LUPO (Section 8) Zoning Scheme - Industrial 1		
SG Number	C03400050000209400000		Land Usage: Financials Ward: Financials Ward: Demarcation Board Sources Effective		Deeds Office, Surveyor General, Financials		
Municipality	Kouga						
Township/Holding: Title Deed	Humansdorp						
Suburb: Financials	Humansdorp (30003)						
Centroid	34.02199542281786S 24.777058665192737E						
Sectional Title	No						
Extent	6652sqm						
Extent (SG)	6648sqm						
Extent (Title Deed)	6652 SQM						
Title Deeds							
Owner		Title Deed	Share	Purchased	Registered	Price	New No
Mun Kouga		T36882/1995	0.0000		25 May 1995	R	
Oorgangsraad-Humansdorp		T36882/1995	0.0000		25 May 1995	T/T	T3137/2004
Financial Accounts							
Account		Debtor		ID Number	Debtor Type		Owner Tenant
003002094002		Kouga Municipality			Departmental (DEPAR)		Owner (Kouga)
Properties							
Unit	26 Digit Code	Owner(s)		Scheme		Scheme Number	
0	C034000500002094000000000	Mun Kouga					
Current Municipal Information							
Valuation Date	Valuation Category	Land Value		Improvements Value	Land Area		Improvements Area
		1800000		0	6652		0
Valuations and Surveys							
Project	Category / Usage		H Area	P Status / C	Current Value		
2008 GV (from TruVal data)	Sect 8(2)(h) - Municipal (As Per MPRA)		INDUSTRIAL	Valued	2,228,000.00		
2013 - 2018 DDP Valuation Roll as Printed	2h-04 (Municipal-Public Roads) (Kouga)		Unknown	Valued	1,663,000.00		
2018 General Valuation	MUNICIPAL PROPERTY (GV2018)		Unknown	Valued	1,800,000.00		

Annexure "D"


EVERGREEN VALUERS Pty Ltd

Year Round Meticulous

PROPERTY DESCRIPTION:
ERF 2094 HUMANSDORP, EASTERN CAPE - 6652m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET RENTAL:

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 4 400.00

(Four Thousand Four Hundred Rand Only) - per month

L. Ferreira
Professional Valuer
 (SACPVP Reg. No.: 7007/2)

Date: 31 October 2020

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****PLANNING AND DEVELOPMENT****DATE: 31 MARCH 2021****ITEM NO: 21/03/PD3****APPLICATION TO PURCHASE A PORTION OF ERF 552 SEA VISTA (MR. M. JOHANSENS)**1. Introduction

The purpose of this item is to request Council to rescind previous council resolution and to consider the application of Mr. Mortem Johansens to purchase a portion Erf 552 situated on Reservoir Road, Sea Vista.

2. Background

An application was received from Mr. Johansens during November 2020 to purchase Erf a portion of Erf 552. The property is located on Erf 552 Reservoir Road in Sea Vista and abuts Erf 360 which belong to Mr. Johansen. (See annexure "A")

It is requested that Council rescind the decision that was taken on 19 December 2017 and reconsider the application from Mr. Johansen to obtain a portion of Erf 552.

ERF 360/ERF 552 – ST FRANCIS PROPERTY OWNERS**Resolved to Recommend (20 November 2017)**

- i) *That the applicant be informed that his application has not been successful.*
- ii) *The said portion of Erf 552 is part of a servitude and after consulting with Technical Services it was decided that this servitude will be required for future use by the municipality.*

The ownership shows that the Erf shows that the Erf belongs to the Goedgelooft Prop (Pty) Ltd, however the process was started to correct this and transfer this property and other public open spaces to Kouga Municipality.

Erf 552 is 3325 square meters; however, the applicant is only interested in approximately 890 square meters. However, if Council would consider alienating this particular portion first needs to be formally closed as a public place.

The Erf is part of a servitude and used to host the old St. Francis Bay Waterworks which has since been discontinued. At this stage the particular portion is unused and overgrown used for illegal dumping and some people sleep there, which is a safety concern to the adjoining neighbors. **(See annexure "B")

The applicant is also willing to pay market related value for the property.

Furthermore, the applicant would like to obtain this portion of Erf 552 to consolidate with his own property being Erf 360, in order to develop a high valued dwelling house on the property.

3. Comments from service departments (Sect. 14)

The Department of Infrastructure and Engineering to provide comment from a technical perspective on the application herein.

4. Financial implications

There will be no financial implications for the council.

Should council approve the alienation herein, a market related value is R200 000.00 was confirmed for the portion of the 552 by a professional valuation firm **(See annexure "C")

5. Legal implications

5.3 The Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a municipal immovable property needed to provide the minimum level of basic services, save where the transfer is to another organ of state, as provided for in section 14(6) of the MFMA read with Regulation 24 in Chapter 3 of the MATR.

5.10 The Municipality may transfer ownership or otherwise dispose of a non-exempted immovable property only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA:

(a) decided on reasonable grounds that the immovable property is not needed to provide the minimum level of basic municipal services;

(b) considered the fair market value of the immovable property and the economic and community value to be received in exchange for the immovable property in accordance with Section 14(2) of the MFMA, and

(c) has as a consequence to 5.10(a) and (b) above approved in principle that the immovable property may be transferred or disposed of, and the method of disposal or transfer.

5.11 The Municipality may transfer ownership or otherwise dispose of a non-viable immovable property, as non-exempted immovable property which can be of no practical use to any other person, directly to adjoining property owner(s), only after the Municipal Council has, in terms of sections 14(2)(a) and (b) of the MFMA:

(a) decided on reasonable grounds that the non-viable immovable property is not needed to provide the minimum level of basic municipal services;

(b) considered the fair market value of the immovable property and the economic and community value to be received in exchange for the immovable property in accordance with Section 14(2) of the MFMA, and

(c) has as a consequence to 5.11(a) and (b) above approved in principle that the immovable property may be transferred or disposed, provided that, when giving the in principle approval, it is recorded in the minutes the full reasons for the Municipality preferring such direct transfer.

6. Recommendation

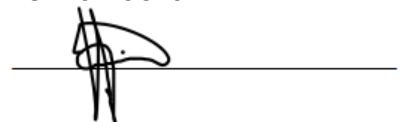
- 6.1 That Council rescind the previous council resolution and grant in-principle approval to dispose a portion of Erf 552, Sea Vista to Mr. Johansen.
- 6.2 That Council grant authorization to the Accounting Officer to advertise the immovable property herein.
- 6.3 That Council confirms that the land is not needed to provide the minimum level of basic municipal services.
- 6.4 That Council consider the market related valuation of the immovable property.
- 6.5 That the applicant be responsible and carry the cost for the closure of public open space and subdivision of Erf 552.
- 6.6 That the newly created Erf be transferred only once the formal closure has been concluded, and the conveyance cost be carried by the applicant.

Item prepared by : **Acting Manager Land**

Item approved by : **The Director: Planning, Development & Tourism**

Item endorsed by : **The Municipal Manager**

Item noted by the Portfolio Chairperson

Annexure "A"



Land Parcel

16 Mar 2021 14:32

Erf	552 of Sea Vista	Zoning: Financials		PUBOS		
Address	23 Street Unknown	Zoning		LUPO (Section 8) Zoning Scheme - Open Space 1		
SG Number	C03400140000055200000	Land Usage: Financials				
Municipality	Kouga	Ward: Financials		Kouga 12		
Township/Holding: Title Deed	Sea Vista	Ward: Demarcation Board				
Suburb: Financials	St Francis Bay (70006)	Sources		Deeds Office, Surveyor General, Financials		
Centroid	34.167563230946634S 24.82555496754813E	Effective				
Sectional Title	No					
Extent	3325sqm					
Extent (SG)	3373sqm					
Extent (Title Deed)	3325 SQM					
Title Deeds						
Owner	Title Deed	Share	Purchased	Registered	Price	New No
Goedgelooft Prop Pty Ltd (196501049307)	T3901/1969	0.0000		21 Feb 1969	R T/T	
Financial Accounts						
Account	Debtor	ID Number		Debtor Type	Owner Tenant	
007000552001	Kouga Municipality (St Francis			Attorneys Closed (ATTCL)	Type A (Kouga)	
007000552025	Huleett&Hill NL&P	5902285135085		Normal (N)	Owner (Kouga)	
Properties						
Unit	26 Digit Code	Owner(s)		Scheme	Scheme Number	
0	C03400140000055200000000	Goedgelooft Prop Pty Ltd (196501049307)				
Current Municipal Information						
Valuation Date	Valuation Category	Land Value	Improvements Value	Land Area	Improvements Area	
		0	50000	3325	0	
Valuations and Surveys						
Project	Category / Usage	H Area	P / C	Status	Current Value	
2008 GV (from TruVal data)	Sect 8(2)(h) - Municipal (As Per MPRA)	12		Valued	290,000.00	
2013 - 2018_DDP Valuation Roll as Printed	2h-05 (Municipal-Public Open Spaces (P.O.S.)) (Kouga)	Unknown		Valued	30,000.00	
2018 General Valuation	MUNICIPAL PROPERTY (GV2018)	Unknown		Valued	50,000.00	
SV4 (2018-2023)	PRIVATE OPEN SPACE (GV2018)	Unknown		Valued	50,000.00	

Annexure “B”

ANNEXURE "C"



EVERGREEN VALUERS Pty Ltd
Year Round Meticulous

PROPERTY DESCRIPTION:

Erf 552 Sea Vista (±890m²), Eastern Cape (Residential land)

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.



DEFINITION OF MARKET VALUE:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVSC, 2005)

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 200 000.00

(Two Hundred Thousand Rand Only)

L. Ferreira
Professional Valuer
(SACPVP Reg. No.: 7007/2)

Date: 04 March 2021

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.

KOUGA MUNICIPALITY (EC 108)**SPECIAL COUNCIL MEETING****PLANNING AND DEVELOPMENT****DATE: 31 MARCH 2021****ITEM NO: 21/03/PD4****LONG-TERM LEASE AGREEMENT: ERF 873, JEFFREYS BAY: JEFFREYS BAY GOLF CLUB****1. Introduction**

The purpose of this item is to request Council to grant final approval for the award of long-term lease of Erf 873 Jeffreys Bay (Golf Course) to the Jeffreys Bay Golf Club.

2. Background

During a Council meeting held on 12 December 2019 it was resolved that the lease contract for 873, Jeffreys Bay be renewed.

<u>ORDINARY COUNCIL MEETING HELD ON 12 DECEMBER 2019</u>					
<i>ITEM NO.</i>	<i>ACTION</i>	<i>FOR DISPOSAL BY DEPARTMENT</i>	<i>DUE DATE</i>	<i>STATUS REPORT BY RELEVANT DIRECTOR</i>	<i>REPORT BY COMPLETION</i>
<u>OFFICE OF THE MUNICIPAL MANAGER – 30 JULY 2019</u>					
<u>19/07/MM4 RESCISSION OF A COUNCIL RESOLUTION – 17/8/F23 OF A COUNCIL MEETING HELD ON 31 AUGUST 2017</u>	1. That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected:- <u>Erf 873 Jeffreys Bay</u> • <i>That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.</i> • <i>That the lease contracts for the Jeffreys Bay Golf Club and the Driving Range be renewed.</i> • <i>That the rental income complies with the MFMA.</i>				

The Council then advertised and invited interested parties to tender for the long-term lease of Erf 873 Jeffreys Bay.

During an LEC Meeting that was held on 19 November 2020 and consideration of all the bids it was recommended that long-term lease of the Golf Course, Driving Range, Squash Club and Tennis Club be awarded to the Jeffreys Bay Golf Club.

LEC Meeting was held on 19 November 2020:

20/11/LEC1: Lease of Municipal Property- Erf 873 Jeffreys Bay

Recommendations

- | | | |
|------|--|---------------------------|
| i) | That Council awards a 5 (FIVE) year lease contract to Jeffreys Bay Golf Club for a right to use, control or manage the facility situated on a portion of Erf 873, Jeffreys Bay on behalf of Council. | |
| ii) | That the following properties on Portion of Erf 873, Jeffreys Bay be leased to the Jeffreys Bay Golf Club at the stipulated monthly rental amount: | |
| | a) | Golf Course - R3 740.00 |
| | b) | Driving Range - R1 050.00 |
| | c) | Squash Club - R 810.00 |
| | d) | Tennis Club - R1 860.00 |
| | <u>Total</u> | <u>R7 460.00</u> |
| iii) | The portion number of Erf 873, Jeffreys Bay to be leased, be stipulated in the contract. | |
| iv) | That the Jeffreys Bay Golf Club be informed that they must apply for permission to sub-let the Tennis and Squash Clubs for the property owner, namely the Kouga Municipality. | |

(See annexure "A")

3. Comments

In terms of the applicable legislation the Council is the final decision-making structure for long-term leases.

Council to consider the recommendation of the Land Evaluation Committee to lease Erf 873 Jeffreys Bay for a period of 5 (five) years.

Subsequently, the Accounting Officer has made comment on the recommendation of the LEC and recommended that the lease period be amended from a 5 (five) year to a 9 year and 11 month period.

4. Comment from Accounting Officer

After careful consideration of the LEC recommendations for a 5-year lease period in respect of the lease for the above said property and as per the recommendation from the Land Evaluation Committee (as established under the Policy and Procedures for the Disposal of Immovable Assets Item No. 18/04/F7), it is my submission that it would be in the best interest of the Kouga Municipality as well as the successful bidder, that the lease agreement be entered into for a long term lease period of 9 years and 11 months. The bidder (Lessee) herein is providing a much needed and supported facility to the community and for the required funding application to fund the operations of the facility, the bidder (lessee) required a 9-year 11 months lease agreement. ** (See annexure "B")

5. Financial Implications

Should Council grant final approval for the lease of the property herein, the municipality will receive a monthly rental fee of R7 460.00. (See Annexure E)

6. Legal Implications

The Legal Section to draft a long-term lease agreement for the consideration and authorisation of Accounting Officer and the applicant.

7. Recommendation

7.1 That Council grants approval to award a 9 (nine) year 11 (eleven) months lease contract to Jeffreys Bay Golf Club for a right to use, control or manage the facility situated on a portion of Erf 873, Jeffreys Bay on behalf of Council.

7.2 That the following properties on Portion of Erf 873, Jeffreys Bay be leased to the Jeffreys Bay Golf Club at the stipulated monthly rental amount:

1) Golf Course	-	R3 740.00
2) Driving Range	-	R1 050.00
3) Squash Club	-	R 810.00
4) Tennis Club	-	R1 860.00
Total	-	<u>R7 460.00</u>

7.3 That the portion number of Erf 873, Jeffreys Bay to be leased, be stipulated in the contract.

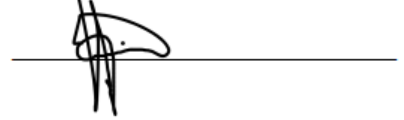
7.4 That the Jeffreys Bay Golf Club be informed that they must apply for permission to sub-let the Tennis and Squash Clubs for the property owner, namely the Kouga Municipality.

Item prepared by : Acting Manager Land

Item approved by : The Director: Planning, Development & Tourism

Item endorsed by : The Municipal Manager

Item noted by the Portfolio Chairperson



Annexure “A”

**LAND EVALUATION COMMITTEE MEETING
AGENDA**

DATE: Thursday, 19 NOVEMBER 2020
TIME: 10:00
VENUE: VIRTUAL

NOTICE IS HEREBY GIVEN OF A LEC MEETING TO BE HELD ON THURSDAY, 19 NOVEMBER 2020 AT 10:00, VIA MICROSOFT TEAMS (VIRTUAL)

R. LORGAT
CHIEF FINANCIAL OFFICER

AGENDA

- 1. OPENING AND WELCOME**
- 2. APOLOGIES/ LEAVE OF ABSENCE**
- 3. DECLARATION OF INTEREST**
- 4. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
 - 4.1.** Minutes of the LEC meeting held on 4 November 2020.
(Page 3-4)
- 5. MATTERS FOR DISCUSSION**
 - 5.1** **20/11/LEC1:** Lease of Municipal Property- Erf 873 Jeffreys Bay
(Page 5-6)
- 6. CLOSING**

Distribution list:

R. Lorgat: CFO
 F Mabusela: Director: PD&T (Deputy Chairperson)
 V Felton: Director: Technical - Infrastructure
 K Moodley: Director: Corporate Services
 N Machelesi: Director: Community Services
 L Opperman: Manager: Legal
 L Landu: Supply Chain Management
 C Camons: Scribe
 V. Dala – Land Use Management
 C. Grootboom – Act. Manager: Land Use Management

MINUTES OF A LAND EVALUATION COMMITTEE MEETING HELD ON WEDNESDAY, 4 NOVEMBER 2020 AT 11:00 VIA TEAMS

PRESENT:

R. Lorgat - CFO (Chairperson)
 F. Mabusela - Director: PDT (Deputy Chairperson)
 K. Moodley - Director: Corporate Services
 N. Machelesi - Director: Social Services
 C. Camons - Scribe

1. OPENING AND WELCOME:

The Chairperson welcomed all present.

2. APOLOGIES / LEAVE OF ABSENCE:

V. Felton - Director: IPD
 L. Opperman - Manager: Legal Services
 L. Landu - Manager: Supply Chain
 V. Dala - Fleet & Assets Department - Additional Attendee

3. ATTENDANCE REGISTER:

All members present signed via Teams.

4. DECLARATION OF INTEREST:

All members confirmed that they are not an interested party in any of the Items presented today.

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING:

Adoption of minutes was Moved by the Director: Planning, Development & Tourism and Seconded by the Director: Corporate Services.

6. MATTERS FOR DISCUSSION:

6.1 20/10/LEC1 – Lease of Municipal Property: Erf 873, Jeffreys Bay

The Director: PDT stated that if any members had questions regarding the Valuations, they could share it on this platform.

The Director: Corporate Services stated the valuations given were very low and that she could not understand why that is so.

The Chairperson stated that all the valuations came down in value and he expressed his reservations regarding this.

The Director: PDT stated that the previous valuations encompassed more areas whereas these valuations are limited. Also, the members must bear in mind that professional valuers cost a lot.

The Director: Social Services enquired whether internal or external valuers were used; whereupon the Director: PDT replied that an external valuer was appointed and that DDP had previously done the Valuation Certificates but this appointee was independent.

The Director: Corporate Services stated that as part of "due diligence", the Municipality should get a 2nd opinion because the current valuation is too low.

The Chairperson agreed with this statement and suggested that the recommendation should give one value for rent. He further suggested that the Municipality get a 2nd opinion from, for example, DDP. He further stated that the valuations be used as a guideline for the rental price and that the amount be negotiated with the Jeffreys Bay Golf Club.

The Director: Corporate Services stated that the valuation certificate does not bench-mark against similar properties, for example the current market value of the golf courses in Hankey, Humansdorp, etc. and therefore the next valuations must indicate related properties.

The Chairperson recommended that the Metro be approached to enquire about their rental agreements on golf courses as the Municipality cannot accept the bare-minimum rental price.

Recommended: (4 November 2020)

- i) That Item No 20/10/LEC1 dated 4 November 2020, be referred back to the lead department;
- ii) That the Metro be approached regarding their golf course rental prices;
- iii) That Evergreen Valuers submit a report detailing on how they determined the rental costs;
- iv) That the report be submitted at the next LEC meeting.

7. **CLOSURE:**

As there were no other matters for discussion, the Chairperson declared the meeting closed at 11:40.

Minutes approved by:

Minutes noted by:

.....
MR. R. LORGAT
CHAIRPERSON: LAND EVALUATION COMMITTEE

.....
MR C. DU PLESSIS
MUNICIPAL MANAGER

LAND EVALUATION COMMITTEE**DATE: 19 NOVEMBER 2020****ITEM NO: 20/11/LEC1****APPLICATION: LEASE OF MUNICIPAL PROPERTY- ERF 873 JEFFREYS BAY****1. Introduction**

At a Land Evaluation Committee meeting on 4 November 2020, the Committee referred the Item back to the lead department for the purpose of obtaining a comparative report of the Land Evaluation Certificates for Erf 873, Jeffreys Bay, received from Evergreen Valuers.

2. Comment

- 2.1. The following report was received via e-mail from Mr Le-Shaun Ferreira of Evergreen Valuers:

"As per the previous email: After contacting numerous stakeholders we have come to the conclusion that the income produced from Erf 873 Jeffreys Bay, is considered market related. The lower rental income is due to the services these facilities provide to Jeffreys Bay, as well as the surrounding towns. These facilities are beneficial to the tourist industry, which has a direct impact on other facilities, such as accommodation, retail stores, etc. Due to the current structure of the lease agreement, the risk associated with the leased properties is low, due to the fact that the municipality is certain, not only of an income, but also the assurity that the properties will be maintained by the lessee. The latter also indicates that a lower rental should be applicable in order to have funds available for the maintenance of the structures concerned.

Information direct from golf courses in Port Elizabeth as well as Uitenhage was unforthcoming with rental information, The only information obtained was from a professional valuer which indicated that a nominal rate was applied as a market rental rather than a market related rental. This nominal rate quantified to R 2 400.00 per month for a 18 hole golf course in Port Elizabeth. This would fall well below market rental for the golf course concerned. Jeffreys Bay golf course is only a nine hole golf course. The method applied to the rental determination was based on the market value of the subject properties. This would be the best approach in obtaining a more market related rental specifically if all the criteria has been met as indicated in the first paragraph of this email.

Kind Regards

Le-Shaun Ferreira

Professional Property Valuer & Director of Evergreen Valuers (Pty) Ltd

SACPVP Reg: 7007

Fax: 086 668 5097

Email: info@evergreenvaluers.co.za

Website: www.evergreenvaluers.co.za"

3. Financial Implications:

According to the Rental Valuation Certificates, the monthly rental amounts are as follows:

i) Golf Course -	R3 740.00
ii) Driving Range -	R1 050.00
iii) Squash Club -	R 810.00
iv) Tennis Club -	R1 860.00
<u>Total</u>	<u>R7 460.00</u>

4. Recommendations

- i) That Council awards a 5 (FIVE) year lease contract to Jeffreys Bay Golf Club for a right to use, control or manage the facility situated on a portion of Erf 873, Jeffreys Bay on behalf of Council.
- ii) That the following properties on Portion of Erf 873, Jeffreys Bay be leased to the Jeffreys Bay Golf Club at the stipulated monthly rental amount:

a) Golf Course -	R3 740.00
b) Driving Range -	R1 050.00
c) Squash Club -	R 810.00
d) Tennis Club -	R1 860.00
<u>Total</u>	<u>R7 460.00</u>
- iii) The portion number of Erf 873, Jeffreys Bay to be leased, be stipulated in the contract.
- iv) That the Jeffreys Bay Golf Club be informed that they must apply for permission to sub-let the Tennis and Squash Clubs for the property owner, namely the Kouga Municipality.

ITEM PREPARED BY: VS DALA
LAND USE MANAGEMENT OFFICER

ANNEXURE "B"



Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Laele
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

INTERNAL MEMORANDUM

TO: CHAIRPERSON – LAND EVALUATION COMMITTEE
CC: ALL LEC MEMBERS
FROM: MUNICIPAL MANAGER
DATE: 03 FEBRUARY 2021
SUBJECT: ERF 873, JEFFERFYS BAY- Leasing of property to Golf Course Club

Dear Sir

The above matter as well as your internal memorandum dated 29 December 2020 refers.

Please be advised that I have carefully considered your clarification submission regarding the proposed 5-year lease period in respect of the lease for the above said property and as per the recommendation from the Land Evaluation Committee (as established under the Policy and Procedures for the Disposal of Immovable Assets Item No. 18/04/F7).

After such careful consideration it is my submission that it would be in the best interest of the Kouga Municipality as well as the successful bidder, that the lease agreement be entered into for a long term lease period of 9 years and 11 months.

Regards,

C DU PLESSIS
MUNICIPAL MANAGER

ANNEXURE “C”**INTERNAL MEMORANDUM**

TO: MUNICIPAL MANAGER

CC: ALL LEC MEMBERS

FROM: CHAIRPERSON -LEC

DATE: 29 DECEMBER 2020

SUBJECT: ERF 873, JEFFERFYS BAY- Leasing of property to Golf Course Club

Your memo dated 10 December 2020 bears reference as follows:

The proposal submitted by the applicant to the Municipality **did not** specify a request for a 10- year lease period, therefore the LEC made consideration for a 5- year lease in view of the following:

1. The proposal and the resolution of Council in respect of this lease refers to a “long term lease”. The Municipality’s Leasing policy defines long term lease as a lease period longer than 3 years.
 - a. ***Long Term Lease shall mean a Lease Agreement entered between the Municipality and a Lessee of which the lease period is longer than three (3) years but less than 30 years, excluding the renewal period.***

The 5 -year lease required is therefore by definition a long-term lease.

2. The Municipality is currently developing a reviewed Spatial Development Framework. It was deemed important that the revised Spatial vision and goals of the Municipality be aligned with the future use of strategic Municipal immovable assets. Considering that the Council Resolution refer to rezoning and subdivision of this property being undertaken, the SDF guidelines are crucial and therefore it seemed logical to place a conservative long term lease period with an option for renewal. This will enable for seamless incorporation of SDF proposals in development of the area.

3. The LEC also considered the economic return on the rental of this property in respect of the size and strategic facility. The LEC further considered that given the fact that the lessee is responsible for the maintenance of the grounds and facility, the seemingly low return on the lease of this facility is justified, however the 5- year lease period would enable the Municipality to re-evaluate the lease terms and conditions at a reasonable time than the longer term.
4. Lastly, the LEC considered the viability and sustainability of the Golf Course clubs operating in the current form as trends have shown membership decline and financial challenges. In its discussions, the LEC further considered the submission by item represent that the Municipality had previously relaxed or lowered the rental amount at the submission of the Golf club due to financial challenges.

I hope the above clarifies the considerations of the LEC which led to the recommendation to award a long- term lease of 5 years with option to renew. The Council is the final decision-making structure for long term leases and this is not final until the Council resolution is obtained for the long term - lease to be finalized.

Regards



.....

Chairperson: LEC

ANNEXURE "D"


EVERGREEN VALUERS Pty Ltd

Year Round Meticulous
PROPERTY DESCRIPTION:
Erf 873 Jeffreys Bay, Eastern Cape (Rental Valuation – Golf Course) – 293199m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET RENTAL:

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 3 740.00
(Three Thousand Seven Hundred & Forty Rand Only) - per month

L. Ferreira
Professional Valuer
 (SACPVP Reg. No.: 7007/2)

Date: 30 October 2020

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.


EVERGREEN VALUERS Pty Ltd

Year Round Meticulous
PROPERTY DESCRIPTION:
ERF 873 JEFFREYS BAY, EASTERN CAPE (RENTAL VALUATION-BOWLING CLUB)-14770m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET RENTAL:

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 2 730.00
(Two Thousand Seven Hundred & Thirty Rand Only) - per month

L. Ferreira
Professional Valuer
 (SACPVP Reg. No.: 7007/2)

Date: 30 October 2020

Caveats

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EVERGREEN VALUERS Pty Ltd

Year Round Meticulous
PROPERTY DESCRIPTION:
ERF 873 JEFFREYS BAY, EASTERN CAPE (RENTAL VALUATION-DRIVING RANGE)-37246m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET RENTAL:

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 1 050.00
(One Thousand & Fifty Rand Only) - per month

L. Ferreira
Professional Valuer
 (SACPVP Reg. No.: 7007/2)

Date: 30 October 2020

Caveats

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EVERGREEN VALUERS Pty Ltd

Year Round Meticulous
PROPERTY DESCRIPTION:
ERF 873 JEFFREYS BAY, EASTERN CAPE (RENTAL VALUATION – TENNIS CLUB) – 5330m²

This one-page certificate has been prepared on instruction received from Kouga Municipality, as represented by Mr. Vuyisani Dala.


DEFINITION OF MARKET RENTAL:

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

I the undersigned, L. Ferreira, consider this valuation to be a true reflection and a fair assessment of the subject property as on the date of valuation.

R 1 860.00
(One Thousand Eight Hundred & Sixty Rand Only) - per month

L. Ferreira
Professional Valuer
 (SACPVP Reg. No.: 7007/2)

Date: 30 October 2020

Caveats

This one-page valuation certificate has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation should have been made available to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation if any information was withheld.

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, current use or intended use, is or will be unlawful.

Neither the valuer, nor Evergreen Valuers (Pty) Ltd, have any interest in this property or any other properties which would affect the statements or values contained in this valuation report. All figures quoted are exclusive of Value Added Tax.