



UTHUKELA
UMKHANDLU WESIFUNDA
DISTRKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

2018/2019

DRAFT

ANNUAL REPORT

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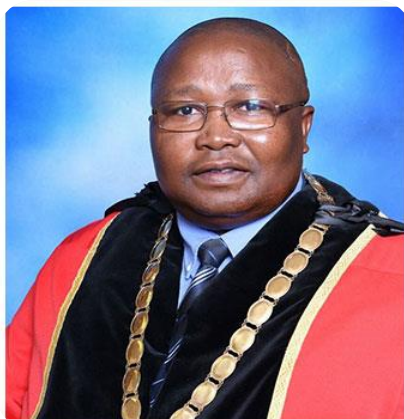
- ❖ UTHUKELA DISTRICT MUNICIPALITY
- ❖ UTHUKELA DISTRICT DEVELOPMENT AGENCY

ANNEXTURE B – 2018/2019 AUDIT AND PERFORMANCE AUDIT REPORT

ANNEXTURE C- 2018/2019 ANNUAL PERFORMANCE REPORT

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CHAPTER 1- INTRODUCTION



COMPONENT A: HONOURABLE MAYOR'S FOREWORD

It is always a daunting task to provide a complete account on the responsibilities conferred upon us by the electorate. Most significantly, we do so being quite conscious of the fact that the public deserves its rightful place at the apex of the 'accountability chain'. In presenting this Annual Report, UThukela District Municipality sets out the performance challenges and highlights experienced in the 2018/2019 financial year.

We owe this timely reporting to our colleagues in government, the people of UThukela and all those who live, work and play in our municipal area by providing them an insight into our approach to governance and service delivery. This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan for the 2018/19 financial year. The report is an account of UThukela District Municipality's achievements in the year under review, and it also assists in identifying our successes and failures. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people.

uThukela district is not resistant to drought, persistent heat and lack of rain which adversely affected water supply to households and the commercial sector. UThukela District Municipality residents and commercial sector had challenges in providing piped water, as a result of low water levels in dams and the low yield in production boreholes. At the end of this financial year 78.7 % of the district population had access to piped water, while 81% had access to sanitation. This service delivery record inspired the Municipality to press ahead harder with more projects on the pipeline.

To conclude I would like to take this opportunity to thank the Deputy Mayor, the Speaker, Chairpersons of Portfolio Committees, EXCO Members, the full Council, the Municipal Manager, the staff from different departments established and the entire community of the uThukela District for their hard work, determination, commitment and valuable support to service delivery.

CLLR AS MAZIBUKO
MAYOR: UTHUKELA DISTRICT MUNICIPALITY

COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW

UThukela District Municipality's Annual Report for the 2018/2019 financial year gives one an in-depth picture of the breadth of work that was undertaken in the year under review. This report is published in terms of the Local Government: Municipal Finance Management Act, 56 of 2003 and the local government legislation that has brought about considerable changes to the local sphere of government since 2000. One such change has been the implementation of performance management regulations and guidelines, which require municipalities to report on progress in specific areas.

The Local Government: Municipal Finance Management Act, 56 of 2003 places high standards and requirements when it comes to accounting on the use of public funds. As is the case with many high capacity municipalities, UThukela District Municipality strives to achieve service excellence in all areas of its operation. This report provides readers with a substantial insight into the workings of UThukela District Municipality.

Over the past few years we have been seeing a steady improvement in the quality of our reporting as performance management becomes entrenched in our organisational culture. Our staff members continuously gain insight on how the identification of key performance indicators and the tracking thereof can assist delivery and create opportunities for ongoing improvement. As this way of working becomes entrenched in municipalities, it also becomes possible for our customers to measure our progress based on clearly stated objectives. We have taken the opportunity in this Annual Report to reflect on the significant progress made in basic service delivery, rolling out and expanding services such as the provision of water and sanitation. One thing is clear – as we move into the next financial year, the challenges will be ever greater.

The economic conditions over the next year and beyond will place tremendous burdens on many of our citizens, who will depend on effective public services more than ever. Meanwhile, no effort is spared in attaining efficiency targets in our work and responding to the performance framework. We look forward to working with all stakeholders to deliver even better public services.

This Annual Report outlines the details of the various programmes managed by the Head of Departments of UThukela District Municipality and how we have performed towards meeting our set targets. On behalf of UThukela District Municipality's Management, we wish to express our profound appreciation to the Political Leadership and the opportunity that they have given us to serve the people of UThukela. The staff of UThukela District Municipality continues to put in every effort to ensure our organisation implements its mandate effectively and that we, individually and collectively, can contribute to making a difference in the quality of life in our communities.

NZ KHUZWAYO
ACTING MUNICIPAL MANAGER

COMPONENT C: MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

SPATIAL ANALYSIS

UThukela district municipality boundaries were delineated in terms of the Municipal Demarcation Act taking into account a number of factors including physical features of the area, population movement patterns, economic trends and social organisation of communities. As such, the boundaries are not simple administrative, but also provide a framework for regional economic development planning.

UThukela is located within the middle west of KwaZulu-Natal Province. The district comprises of three local municipalities, namely:

- Okhahlamba (KZ235);
- Inkosi Langalibalele (KZ237);
- Alfred Duma (KZ238)

It is strategically positioned within the centre of Durban and Johannesburg, which are the national hubs within the country in terms of trade of commerce. It also largely comprises of UKhahlamba Drakensberg Park that is a declared World Heritage Site and this places the area as global interest. The district is anchored around Ladysmith Town, which serves as a service and administrative centre, and a commercial hub for UThukela District and beyond. However, the role and function of Ladysmith commercial centre cannot be exaggerated a regional scale given the fact that it is a relatively smaller town when a comparison is drawn from the nearest regional centres such as Newcastle and Pietermaritzburg.

Therefore, Ladysmith can be classified as a sub-regional centre and not a regional centre that serves as a feeder for smaller towns that are located between 100km to 200km away from it. Although UThukela does not boost with a notable regional centre, it is strategically located at the intersection of two major national and provincial development corridors and trade routes that is:

- The N11 which runs in a north- south direction linking KwaZulu-Natal with Mpumalanga Province; and
- The N3, which runs in an east west direction linking Durban and Johannesburg Metropolitan areas.

The railway line linking KwaZulu-Natal with Gauteng and Mpumalanga Provinces runs through the UTDM. As such, the UTDM is highly accessible at both regional and national level. The size of the Municipality is approximately 11,500km² and is located along the western boundary of KwaZulu-Natal. It is predominately rural. The Municipality is characterised by socio-economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, a lack of resources and low levels of education is also prevalent. The settlement patterns are disbursed, which resulted in underdeveloped land and settlement patterns that make it challenging and expensive to deliver effective services.



DEMOGRAPHIC CHARACTERISTICS

The population of uThukela District Municipality forms part of the ultimate objective of the development process, as well as being a subject in the process, since the people provide labour and entrepreneurship for production also consume the output of production. Likewise, demographic processes e.g. fertility, mortality and migration determine the demographic outcomes such as size, age-sex structure and spatial distributions of the population which affect the functioning of socio-economic processes of land use, labour absorption, consumption and expenditure which in turn define the socio-economic outcomes in terms of income, employment, education, health, housing etc. In short, this analysis will shade some light on the dynamics of uThukela District population, which can then be used to develop strategic interventions.

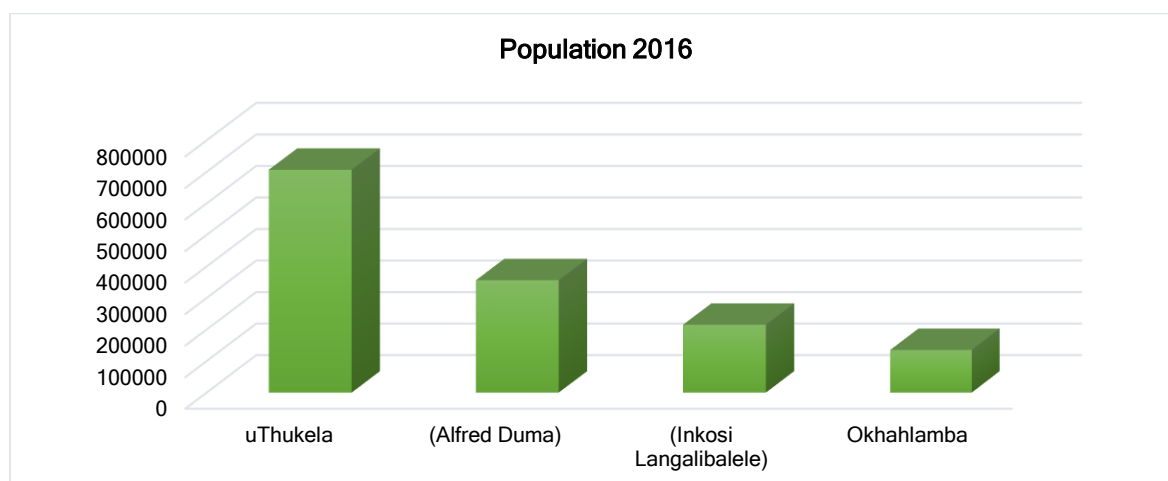
TOTAL POPULATION AND GROWTH RATE

The population of uThukela District increased from 668,848 in 2011 to 706,589 in 2016 recording approximately 2% growth, which translates to an annual growth rate of 0.17% during the period. Alfred Duma municipality experienced the highest increase followed by Inkosi Langalibalele municipality (1.69%). Okhahlamba also experienced an increase in its population recording 4.2% respectively between 2001 and 2016. The increase of the population in uThukela district is attributed by amongst other factors the impact of high birth rate and immigration. The following figure indicates the population size of uThukela district and its family of municipalities before and after amalgamation from 2001 to 2016.

Figure 1: Population Size

	uThukela	Emnambithi/ Ladysmith	Indaka	Umtshezi	Imbabazane	Okhahlamba
		(Alfred Duma)		(Inkosi Langalibalele)		
2001	656986	225459	113644	60087	120622	137924
2011	668848	237437	103116	83153	113073	132068
2016	706590	356276		215182		135132

Source: Statistics SA, Census 2001, 2011, 2016



Source: Statistics SA, Community survey, 2016

POPULATION DISTRIBUTION

The population of the uThukela district municipality is unevenly distributed. The largest population is in Alfred Duma local municipality and the small population is in Okhahlamba Local municipality. It is noted that the population distribution has changed after the emerging of Emnambithi with Indaka and Umtshezi with Imbabazane local municipalities. The table below shows the number of wards in the uThukela district and how the population is distributed from the 2007 to 2016.

Figure 2: Population Distribution

Municipality	Wards	2007 Survey	2011 Census	2016 Survey	Percentage
Okhahlamba	15	151 441	132 068	135 132	19.12%
Inkosi Langalibalele	23	224 651	196 226	215 182	30.45%
Alfred Duma	36	338 305	340 5530	356 276	50.42%
Total	74	714 909	668 848	706 590	100%

(Source: Statistics SA: Census 2001 and 2011 and Community survey 2007&2016)

POPULATION GROUPS

The majority of the people that live in the uThukela district municipality are Africans and Coloureds are minority. The following table shows the population breakdown of the uThukela district municipality. This breakdown is showing the Africans, Coloureds, Indians and Whites.

Figure 3: Population Groups (Race)

Group	Population Group Per Survey Year					
	2007		2011		2016	
	Population	Percentage	Population	Percentage	Population	Percentage
African	681998	95.40	636394	95.30	679912	96.22
Coloured	2231	0.31	3923	0.59	3789	0.54
Indian	23200	3.25	16023	2.40	15310	2.17
White	7482	1.05	11437	1.71	7578	1.07
Total	714911		667777		706589	

Source: Statistics South Africa: Census 2011 and Community Survey 2007 and 2016

AGE STRUCTURE & GENDER

According to the Census 2011, the number of people between 15-64 aged has increased to 391,369. Females are more than male and are occupying 55% in this category whereas male are on 45%. With regards to 0-14, males are leading with 51% while females are sitting in 49%. The last category which is 65-120, females are more with 69% and males are in 31% compare to males.

Figure 4: The breakdown below shows age and gender of uThukela district municipality.

Age	Males	%	Females	%	Total
0-14	124,497	51%	121,712	49%	246,209
15-64	177,056	45%	214,314	55%	391,369
65-120	9,631	31%	21,638	69%	31,269

Source: Statistics South Africa, Census 2011

MIGRATION (INTERNAL / EXTERNAL)

Alfred Duma especially the part of former Indaka is a settlement economy without any core economic source, hence the high dependency ratio. Okhahlamba also have high dependency ratio (79%). The population movement in the district follows the concentration of economic and employment opportunities. These are located mainly in the town of Ladysmith followed by the smaller industrial town of Estcourt in Inkosi Langalibalele. Ladysmith has a high concentration of social and economic infrastructure resulting in a development imbalance compared to other towns in the district. People from smaller towns and rural settlements in Okhahlamba and other dispersed areas flock to Ladysmith for a number of activities beyond employment.

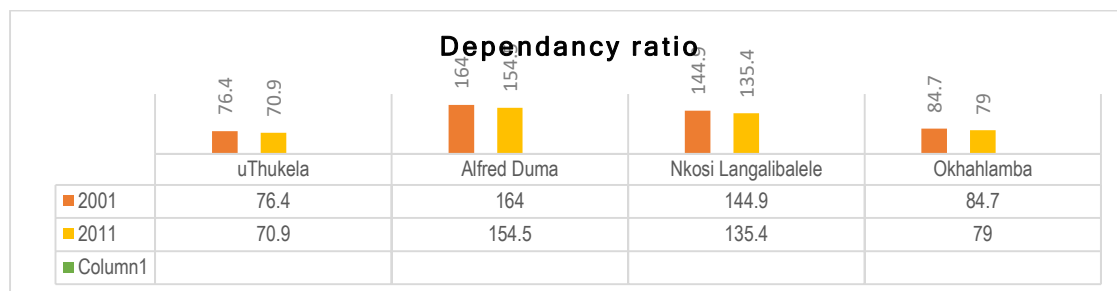
The same trend is noticed with small towns and rural settlements of UMzinyathi district municipality coming to Ladysmith. This could be influenced by the number of regional government offices located in Ladysmith and serving both uThukela and uMzinyathi district municipalities. Subsequently, this puts pressure on Ladysmith suggesting strain on local and physical infrastructure. Few economic and employment opportunities in the district pulls people to larger urban areas in the district. The N11 leads them to Newcastle and Johannesburg, while the N3 corridor leads them to the north of Gauteng, Pietermaritzburg and Durban in the south.

DEPENDENCY RATIO

Dependency ratio defines the number of dependents (i.e. people under the age of 15 and over the age of 65 years) per 100. A high dependency ratio is a challenge to guardians who in many instances are unemployed particularly in rural parts of uThukela. The dependency ratio in uThukela declined from 76.4 to 70.6 between 2001 and 2011. Dependency ratio is high in Alfred Duma local municipality compared

Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages. The following diagram illustrates the dependency ratio per local municipality.

Figure 5: Dependency Ratio



Source: Statistics South Africa, Census 2011, community survey 2016

HIV/AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number of initiatives have been carried through the National Department of Health to combat the current epidemic however, major challenges remain.

Among the 11 districts in KwaZulu-Natal, the impact of the HIV epidemic when a five-year comparison was done between 2009 and 2013. The 2013 National Antenatal Sentinel HIV Prevalence Survey, South Africa illustrates that the most significant decrease in HIV prevalence is in UThukela district which decreased by 6.4%, i.e. from 46.4% in 2009 to 40.0% in 2013, but still remains very high.

Figure 5: the HIV Prevalence from 2009 to 2013 in the whole districts of KZN.

Districts	Prevalence in 2009 (%)	Prevalence in 2013 (%)	Variances
Amajuba	37.3	37.8	0.5

Harry Gwala	35.2	36.6	1.4
UGu	40.2	39.9	-0.3
King Cetshwayo	37.7	38.9	1.2
uThukela	46.4	40.0	-6.4
UMzinyathi	28.2	35.7	7.5
Zululand	36.7	38.1	1.4
EThekwini	41.5	41.1	-0.4
ILembe	40.6	45.9	5.3
UMgungundlovu	40.9	42.4	1.5
UMkhanyakude	39.7	44.1	4.4
KZN	39.5	40.1	0.6

Source: The 2013, National Antenatal Sentinel HIV Prevalence Survey, South Africa

UThukela District Aids Council (DAC)

UTDM has established a co-ordinating forum for HIV/AIDS issues involving all stakeholders and role-players called uThukela District Aids Council to fulfil the following functions as outlined under the terms of reference.

- Development of the District AIDS Plan;
- Monitor the implementation of the District AIDS Plan quarterly;
- Review and evaluate the implementation of the District AIDS Plan annually;
- Facilitate the establishment of Local AIDS Councils;
- Facilitate multi-sectoral and interdepartmental collaboration in the campaign against AIDS;
- Facilitate capacity building on HIV related issues;
- Mobilise financial and technical resources for the campaign against HIV/AIDS and ensure equitable distribution of such resources;
- Commission relevant research and review statistics and other research reports relating to the District;
- Serve as the leading District public advocate to create an enabling environment for HIV/AIDS prevention, care and support;
- Report to the Provincial AIDS Council quarterly and annually on the progress made and challenges, which need to be addressed to combat HIV/AIDS in the District

MORTALITY RATE

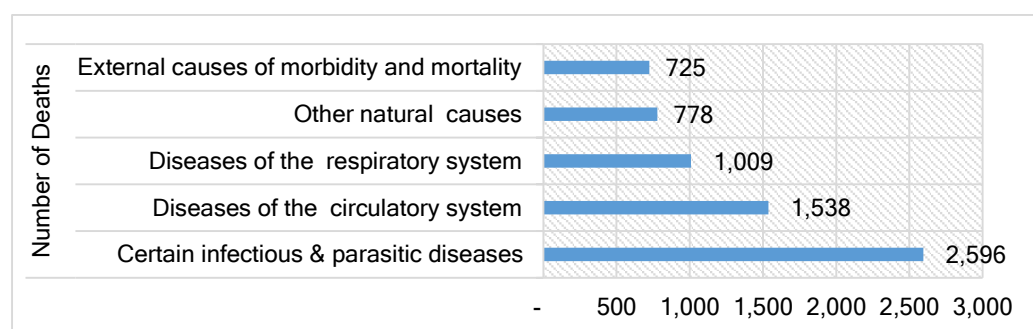
Perinatal Mortality Rate (PNMR)

The perinatal mortality rate is the number of perinatal deaths per 1000 live births. The perinatal period starts as the beginning of foetal viability (28 weeks' gestation or 1000g) and ends at the end of the 7th day after delivery. Perinatal deaths are the sum of stillbirths plus early neonatal deaths. The PNMR is the most sensitive indicator of obstetric care. For developed countries, the rate for babies over 1000g is usually less than 6/1000 births, whereas for developing countries PNMR ranges from 30-200. The average PNMR rate for uThukela District is approximately 37 per 1000 which is slightly above the SA average (34.5 per 1000).

Leading Causes of Death

Certain infectious & parasitic, diseases of the circulatory system and diseases of the respiratory system are the main group causes of death in the district accounting 2,596, 1,38 and 1,009 deaths in 2011. The diagram below illustrates the number of deaths by main groups of causes of death.

Figure 7: Number of deaths by main groups of causes of death



The 10 Leading Underlying Natural Causes of Death

Other natural causes and tuberculosis (A15 A19) are the top two (2) leading underlying natural causes of death in the district accounting for 32,7% and 15,8% of the deaths reported in the district. The table that follows illustrate.

Figure 8: The 10 leading underlying natural causes of death

No	Causes	Number	%
1	Tuberculosis (A15 A19)**	1 349	15,8
2	Intestinal infectious diseases (A00-A09)	648	7,6
3	Influenza and pneumonia (J09-J18)	644	7,5
4	Cerebrovascular diseases (I60-I69)	598	7,0
5	Other forms of heart disease (I30-I52)	429	5,0
6	Diabetes mellitus (E10-E14)	358	4,2
7	Certain disorders involving the immune mechanism (D80-D89)	340	4,0
8	Ischemic heart diseases (I20-I25)	229	2,7
9	Inflammatory diseases of the central nervous system (G00-G09)	223	2,6
10	Hypertensive diseases (I10-I15)	214	2,5
11	Other natural causes	2 792	32,7
12	Non-natural causes	725	8,5
	All causes	8 549	100%

Source: Department of Health

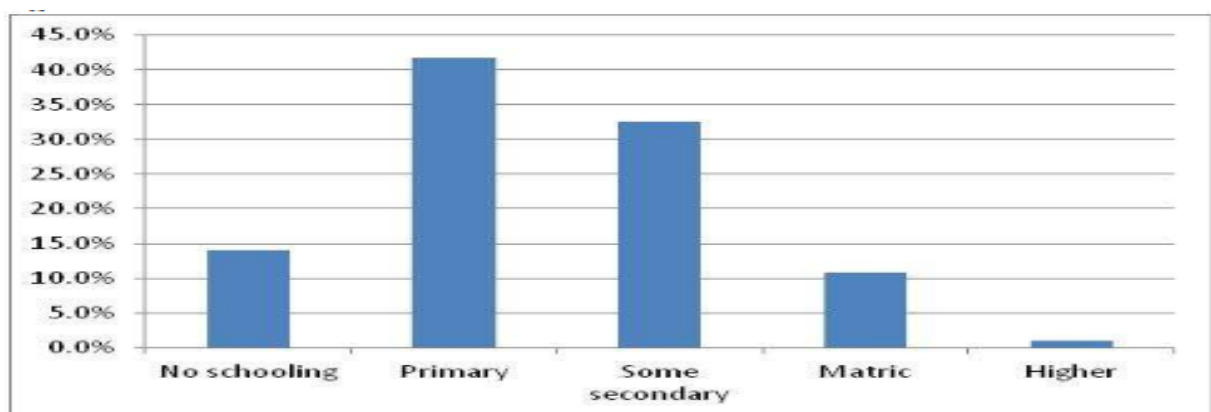
EDUCATION PROFILE

Education serves as the means to bring about the desired change in society, to develop a generation of virtuous individuals and thus contribute to the development of good human beings. The importance of education is that it empowers individuals to take better care of themselves and their children. Education also serves as a gate to higher economic growth through higher level of skilled society. This is why the provision of good education and educational resources remains a high priority for uThukela district municipality. The department of education in uThukela district is playing a vital role in ensuring that the education is given the priority.

Level of Education

A small percentage of the population in the district has post-matric qualifications at only 1%, whilst 14% of the population has no schooling whatsoever. 41% have primary school education and 33% have some secondary schooling, whilst only 10.9% achieved matric. This means that there is a limited pool of skilled labour in the municipality and that basic education needs to be addressed in order to improve skills levels in the future. Basic education is considered fundamental to the future success of the local economy.

Figure 9: Education Level



Source: Statistics South Africa, Community survey 2016

The matric results have shown some increase in 2017 from 67.75% to 72.85% and this translate that the matric results have increased by 5.1%.

Average Education Attainment

The number of people with no schooling dropped between 2011 and 2016 with a further decline between 2010 and 2011 in uThukela, while the number of those people with grade 0-11 shows a significant increase over the period under review. The number of people with matric only has shown a large increase. The tables below show the average education attainment of uThukela and its family of municipalities from 2011 to 2016.

Figure 8: Average education attainment of uThukela and its family of municipalities from 2011 to 2016.

Highest Education Level	KZN	Uthukela	Alfred Duma	Inkosi Langalibalele	Okhahlamba
Grade 0	351,701	26,129	13,119	7,82	5,190
Grade 1/Sub A	337,208	25,522	12,238	7,82	5,465
Grade 2/Sub B	334,645	25,197	12,151	7,432	5,615
Grade 3/Std1/ABET 1Kha Ri Guide-SANLI	342,542	26,036	12,646	7,555	5,834
Grade 4/Std 2	392,225	29,405	14,324	8,739	6,343
Grade 5/ Std 3/ABET 2	384,132	27,847	13,943	7,973	5,931
Grade 6/Std 4	397,690	28,320	14,235	8,284	5,801
Grade 7 Std 5/ABET 3	471,585	33,651	17,125	9,73	6,796
Grade 8/ Std 6 /Form 1	619,449	40,467	21,379	11,647	7,442
Grade9/ Std 7/ Form 2/ ABET 4	530,018	34,714	18,013	9,772	6,928
Grade 10 / std 8 / Form	732,789	47,127	24,801	13,376	8,950
Grade 11/ Std 9 Form 4	788,117	49,272	25,427	14,797	9,048
Grade 12 / Std 10 / Form 5	1,934,771	100,496	54,491	29,947	16,458
NTC N1/NIC/ V Level 2	15,273	753	450	224	80
NTC N2/NIC/V Level 3	11,388	434	267	135	35
NTC N3/NIC/V Level 4	15,606	617	356	198	63
N4/NTC 4	12,001	440	280	114	45
N5/NTC 5	10,537	399	257	107	35
N6/NTC 6	13,255	514	316	141	57
Certificate with less than Grade 12 / Std 10	12,248	502	300	141	61
Diploma with less than Grade 12/ Std 10	14,499	599	304	327	76
Certificate with Grade 12/ Std 10	90,427	4,346	179,43	1186	553
Diploma with Grade 12 / Std 10	119,312	5,795	363,325	2335	718

Higher Diploma	100,777	3,521	184,814	939	575
Post Higher Diploma	17,305	564	326	169	70
Masters: Doctoral Diploma					
Bachelor's Degree	80,354	2,524	110,451	653	310
Bachelor's Degree and Post graduate Diploma	32,913	979	585	241	153
Honours degree	34,948	1,121	720	276	126
Higher Degree Masters/ PhD	24,019	564	346	131	88
Other	16,632	791	546	185	59
No schooling	720,791	54,503	23,952	18,356	12,195
Unspecified	-	-	-	-	-
Not applicable	1,308,143	95,694	47,802	26,924	20,968
GRAND TOTAL	10,267,300	668,848	6103,245	7691.092	132,068

INCOME LEVELS

Household Income

Household income can be used as a proxy for economic well-being of household and individuals, as it determines their consumption and savings potentials. Changes in the income by households is one of the direct indicator available that can be used to establish who benefits from economic development and by how much are the beneficiaries benefiting. Furthermore, data on household income can be used to inform poverty analysis.

In uThukela the R1-R4, 800 and R, 4801-R9600 household income categories have increased considerably throughout the years; this can be an indication of improvement in the socio-economic status of the households in the district. The number of households in the upper end income categories (i.e. R1 228 801-R 457 600) have decreased throughout the years. The table below displays the households' income of uThukela district municipality and KZN province in 2011.

Individual Income

Approximately 286, 410 (i.e. 42.8%) of the population has no source of income and about 184, 170 (i.e. 27.5%) earn less than R400 per month which translate to almost 70.3% of the population live below the poverty line. Approximately 2,894 of the population in uThukela earn over R25, 600 per month. These people work around Ladysmith, Estcourt, and Bergville in senior management and professional positions in government and private institutions. The

diagram and table below illustrate the status of the individual monthly income in uThukela district as per the 2011 statistics South Africa.

Employment Profile

The unemployment rate in the municipality decreased from 58.8% in 2001 to 39.6% in 2011. The level of unemployment in the district is bigger to that of the province, which was 49.0% in 2001 and 33.0% in 2011. Alfred Duma local municipality has the highest levels of unemployment with the rate being 92.2% in 2016, whilst the lowest unemployment rate in 2011 was in Okhahlamba local municipality at 43.4%. The number of people who are not economically active increased from 207 830 in 2001 to 268 503 in 2011 (29% increase), compared to an increase in employed people of 21%.

Figure 14: The table below depicts the unemployment rate per local municipality from 2011 to 2016

	uThukela	Emnambithi/ Ladysmith (Alfred Duma)	Indaka	Umtshezi (Inkosi Langalibalele)	Imbabazane	Okhahlamba
2011	39.6%	34%	57.2%	36.9%	48.6%	43.4%
2016	39.6%	92.2%		85.5%		43.4%

Source: (Statistics South Africa: Census 2011, community survey, 2016)

Figure 15: Employment Levels in the uThukela District

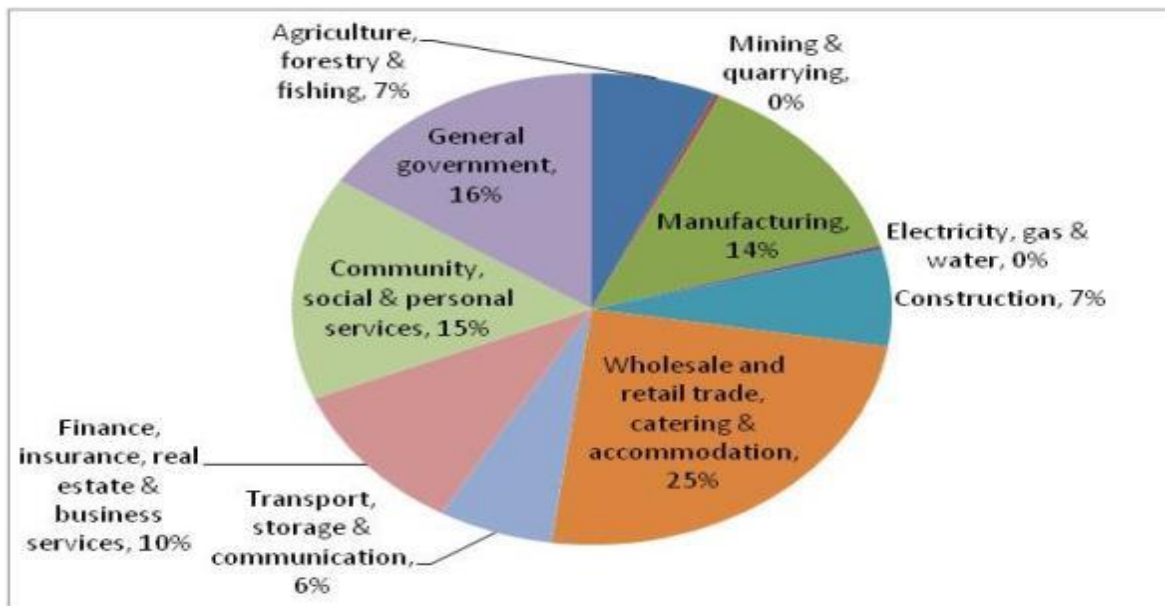
	Total population	Population - Working age	Total employed	Unemployed	Not economically active	Unemployment Rate	Labour Force Participation Rate
2001	656986	351 530	97 545	46 155	207 830	32%	41%
2006	699 941	384 081	112 228	60 079	211 774	35%	45%
2011	668,848	418 990	118 190	32 297	268 503	39.6%	36%

Source: uThukela LED strategy

Employment by Sector

The main source of employment within the district in 2011 was wholesale and retail trade, catering and accommodation at 25%. This was followed by government at 16% and community, social and personal services at 15%. Employment in the primary sector comprised around 7% of total employment in the district in 2011.

Figure 16: Employment per Sector



Source: uThukela LED strategy

From an employment growth perspective, the agriculture; manufacturing; and electricity, gas and water sectors showed an average decrease in employment of 5%, 2% and 1% respectively between 2001 and 2011. The biggest employment gains were in mining and quarrying (6% growth); finance, insurance, real estate and business services; transport, storage and communications; and general government (all 5% growth respectively).

Poverty Levels

The overall proportion of people living in poverty in uThukela is about 65.7% in 2016, and the indications is that number of people living in poverty is increasing in uThukela.

Within the district context, the most poverty-stricken areas are found in some areas of Alfred Duma and Inkosi Langalibalele municipalities (The former Indaka and Imbabazane). The overwhelming majority of people living in poverty are from the black community. The three measures of poverty and social inequality clearly show that poverty is concentrated in the Black communities and that inequality are widening over time.

Key findings

- The population of uThukela District increased from 668,848 in 2011 to 706,589 in 2016 recording approximately 2% growth as per 2016 Community survey;
- Inkosi Langalibalele municipality experienced the highest increase (38.4%) followed by Alfred Duma (1.69%);
- The population of uThukela district municipality is unevenly distributed;
- The number of people between 15-64 age is increased to 391,369;
- Females are more than male and are occupying 55% in this category whereas male are on 45%;
- The dependency ratio in uThukela declined from 76.4 to 70.9 between 2001 and 2011;
- 2016 Community survey show a slight increase from 70.9% in 2011 to 72.39%.

- Dependency ratio is high (93.8%) in Alfred Duma municipality compared to all other municipalities within uThukela;
- Okhahlamba and Inkosi Langalibalele also have high dependency ratio (79% and 72.7% respectively);
- Generally, uThukela District experienced a decline in its dependency ratio between 2001 and 2011. However, the ratio is still high compared to the provincial (65.4%) and national (58.7%) averages;
- Certain infectious & parasitic, diseases of the circulatory system and diseases of the respiratory system are the main group causes of death in the district accounting 2,596, 1,38 and 1,009 deaths in 2010;
- Other natural causes and tuberculosis (A15 A19) are the top two (2) leading underlying natural causes of death in the district accounting for 32,7% and 15,8% of the deaths reported in the district;
- The majority of the people that lives in uThukela district municipality are Africans and Coloureds are minority

TRADITIONAL AUTHORITIES AREAS

The traditional authority areas account for 18% (2078 km²) of the whole district. These areas comprise of settlements, subsistence agricultural land and limited social and economic activities. The composition of these areas is as follows:

Name	TA Area km²	% TA Area km²
Alfred Duma	699	33
Okhahlamba	931	45
Inkosi Langalibalele	448	22
Total	2078	100

STATUTORY ANNUAL REPORT PROCESS

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Consideration of next financial year's Budget and IDP process plan. In-year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July
Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports).	MSA S41(1)(e)	MM Assisted by other s56 managers & The CFO	July
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other s56 managers & CFO	July
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information1.	Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.	MM & CFO	July
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	July/August
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant).	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	Audit and Performance Committee	August
Mayor tables the unaudited Annual Report in Council.		Mayor	August

<p>Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils’ directive on service delivery & the committee to evaluate senior managers’ performance against agreement entered into.</p>	<p>The Annual Report submitted complies with the requirements of Section 121(3) (a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September)</p>	<p>CFO</p>	<p>August</p>
<p>Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor-General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such information includes that of various entities incorporated into the information of the parent entity.</p>	<p>If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.</p>	<p>Council</p>	<p>August</p>
<p>Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.</p>	<p>Section 126(3) (b) require the Auditor- General to submit an audit report within three months after receipt of statements from the municipality.</p>	<p>Auditor- General</p>	<p>November for municipalities without entities & December for municipalities with entities</p>
<p>Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.</p>	<p>Section 127,128,129 and 130</p>	<p>Council</p>	<p>September November</p>
<p>The Auditor-General’s reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed</p>	<p>Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.</p>	<p>MM</p>	<p>November/December</p>

Mayor tables audited Annual Report and financial statements to Council	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	Mayor	November/December
Audited Annual Report is made public, e.g. posted on municipality's website.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	MM and Manager: Communications	November/December
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December.	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	Oversight Committee	January
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	January
Oversight report is made public.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	MM	January
Oversight report is submitted to Legislators, Treasuries and Cogta	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Mayor	January

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and various social programmes in the municipal area.

Council comprises of the political and administrative components responsible for decision-making and implementation respectively. The Mayor and the Speaker head the political component of the municipality. The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant national and provincial legislations. The Municipality has the authority to take any possible actions to effectively exercise powers assigned to it. UThukela District Municipality has an approved delegation system that seeks to decentralize and democratize decision-making within the institution, and improve the pace at which services are delivered to the community. This is intended to maximize administrative and operational efficiency and provide for adequate checks and balances. In line with the delegations' system, some decision-making powers have been cascaded from Council to the Mayor, Executive Committee, Council Committees (Portfolio Committees) and the full-time Councillor(s). Other powers have been delegated to the Municipal Manager.

POLITICAL GOVERNANCE STRUCTURE

The Constitution section 151 (3) states that the council of a municipality has the right to govern its own initiative, the local government affairs of the local community. uThukela Council is the highest decision making body within the Municipality. It is made up of 32 Councillors. The Chairperson of Council is the Speaker.

The Executive Committee is made up of six (6) Councillors. The chairperson of the Executive Committee is the Mayor. The Executive Committee (Mayor) must submit a report and recommendation to the Municipal Council before Council decides to:

- Adopt and Enforce a By-Law;
- Approve a Budget;
- Impose Rates, Taxes or Other Charges;
- Take out Loans;
- Approve the IDP; and
- Decide Human Resource issues such as the Hiring and Conditions of Service of the Municipal Manager and Heads of Administrative Departments

COUNCILLOR	DESIGNATION/PORTFOLIO	POLITICAL PARTY
 <p data-bbox="151 786 391 819">Cllr AS Mazibuko</p>	<p data-bbox="587 344 1002 454">Hon. Mayor : Exco member & Chairperson - Finance Portfolio Committee</p>	<p data-bbox="1082 344 1305 421">African National Congress</p>
 <p data-bbox="151 1294 359 1328">Cllr NW Sibiya</p>	<p data-bbox="587 831 1050 1120">Deputy Mayor : Exco member & Chairperson - Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee</p>	<p data-bbox="1082 831 1305 907">African National Congress</p>
	<p data-bbox="587 1337 1018 1480">EXCO Member & Chairperson: Water, Sanitation, Technical and Municipal Health Services Portfolio Committee</p>	<p data-bbox="1082 1337 1305 1413">African National Congress</p>
 <p data-bbox="151 2018 384 2051">Cllr TP Shabalala</p>	<p data-bbox="587 1583 1054 1727">EXCO Member & Chairperson: Corporate Services and Performance Management Portfolio Committee</p>	<p data-bbox="1082 1583 1305 1659">African National Congress</p>

 <p>Cllr S A Mvelase</p>	<p>EXCO Member & Finance Portfolio Committee Member</p>	<p>Inkatha Freedom Party</p>
 <p>Cllr S V Shabalala</p>	<p>EXCO Member & Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee Member</p>	<p>Inkatha Freedom Party</p>

The following are the committees of Council:

- Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee,
- Finance and Budget Portfolio Committee,
- Corporate Services and Performance Management Portfolio Committee
- Water, Sanitation, Technical and Municipal Health Portfolio Committee.

Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on all applicable legislation relating to social and economic development, national development programmes, provincial development programmes, trading regulations, investment opportunities, Tourism, youth, sports and gender, Public Participation, project facilitation and Communications. The Planning, Local Economic Development, Disaster Management, Special Programmes, Communications, Public Participation and Operation Sukuma Sakhe Portfolio Committee consists of the following councillors:

Councillor	Political Party	Number of Meetings Attended
Cllr N W Sibiya	African National Congress	10
Cllr N M Mlotshwa	African National Congress	11
Cllr G Ndaba	African National Congress	8
Cllr N L Zikalala	African National Congress	11
Cllr E M Majola	Inkatha Freedom Party	6

Cllr S V Shabalala	Inkatha Freedom Party	6
Cllr G S Mdluli	Democratic Alliance	11

Finance and Budget Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on budgeting, supply chain, asset management, revenue and expenditure.

The Finance Portfolio Committee is made up of the following councillors:

Councillor	Political Party	Number of Meetings Attended
Cllr A S Mazibuko	African National Congress	8
Cllr B S Dladla	African National Congress	5
Cllr M H Msimanga	African National Congress	7
Cllr S A Mvelase	Inkatha Freedom Party	9
Cllr N M Hadebe	Inkatha Freedom Party	8

Corporate Services and Performance Management Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the executive committee on all aspects of Human Resources Development, Administration, Secretariat, Fleet Management, Legal Services and Performance Management Systems. The Corporate Services and Performance Portfolio Committee is made up of the following councillors:

Councillor	Political Party	Number of Meetings Attended
Cllr T P Shabalala	African National Congress	10
Cllr E S Ndumo	African National Congress	8
Cllr P A M Mfuphi	African National Congress	11
Cllr N K P Mbongwa	Inkatha Freedom Party	6
Cllr G E Mbhele	Inkatha Freedom Party	7

Water, Sanitation, Technical and Municipal Health Services Portfolio Committee

The terms of reference of this committee are to advise and make recommendations to the Executive Committee on the municipality technical tasks, such as, water and sanitation constructions and maintenance thereof, Water quality, municipal health services and environmental management services. The Water, Sanitation & Technical Services and Municipal Health Portfolio Committee consists of the following councillors:

Councillor	Political Party	Number of Meetings Attended
Cllr M V Khumalo	African National Congress	5
Cllr S B Dlungwane	African National Congress	10

Cllr M B Mbhele	African National Congress	9
Cllr S Z P Msibi	African National Congress	9
Cllr M C Mkhize	Inkatha Freedom Party	0
Cllr S M Buthelezi	Inkatha Freedom Party	8
Cllr M M Khoza	Inkatha Freedom Party	7

Municipal Public Accounts Committee

The terms of reference of this committee are to advise and make recommendations to Council on all the reports of the Audit and Performance Audit Committee and Council may refer matters to this committee for investigation. The Municipal Public Accounts Committee made up of the following councillors:

Councillor	Political Party
Cllr S Z Khumalo	African National Congress
Cllr T B Njapha	African National Congress
Cllr S E Mbongwa	African National Congress
Cllr T P Dlamini	Inkatha Freedom Party
Cllr X F Mhlongo	Inkatha Freedom Party
Cllr Z Msobomvu	Economic Freedom Fighters
Cllr M R Suddaby	Democratic Alliance

List of Councillors

Name of councillor	Political Party	Gender (M/F)
Mazibuko AS	ANC	M
Mazibuko DCP (Ms.)	ANC	F
Strydom P	ANC	F
Sibiya NW (Ms.)	ANC	F
Khumalo MV	ANC	M
Shabalala TP (Ms.)	ANC	F
Mvelase SA	IFP	M
Shabalala SV	IFP	F
Ndaba G	ANC	F
Mdluli GS	DA	M
Msobomvu Z	EFF	M
Hadebe NM	IFP	M
Mbongwa NKP	IFP	F
Khumalo SZ	ANC	M
Dladla BS	ANC	M

Ndumo ES	ANC	M
Mbongwa SE	ANC	M
Mkhize MC	IFP	M
Majola EM	IFP	M
Mbhele GE	IFP	F
Suddaby MR	DA	M
Mlotshwa MN	ANC	F
Mbhele MB	ANC	M
Zikalala NL (Ms)	ANC	F
Dlungwane SB	ANC	M
Msibi SZP	ANC	F
Njapha TB	ANC	M
Khoza MM	IFP	M
Dlamini TP	IFP	M
Mhlongo XF	IFP	F
Buthelezi SM	IFP	M
Mfuphi PAM	ANC	M
Msimanga MH	AIC	M

In terms of Section 81 of the Municipal Structures Act, Act 117 of 1988, the participation of traditional leaders in Municipal Council is being implemented in UThukela District Council. The Traditional leaders serving in UThukela District Municipality's Council are as follows:

Name of Traditional Leader	Representing
Inkosi NS Sithole	Sithole Tribal Authority
Inkosi TR Khumalo	Abantungwa Tribal Authority
Inkosi M Hlongwane	Amangwane Tribal Authority
Inkosi CN Zwane	Ingwe Tribal Authority
Inkosi SS Kunene	Sgweje Tribal Authority
Inkosi SN Mkhize	Abambo Tribal Authority

ADMINISTRATIVE GOVERNANCE STRUCTURE




The administrative structure of Uthukela District Municipality comprises of six (6) departments. The Municipal Manager is the municipality's Accounting Officer. The administrative structure is divided into six departments headed by Section 56 Managers reporting directly to the Municipal Manager. The departments are:




- Office of the Municipal Manager;
- Budget and Treasury;
- Corporate Services;
- Water, Sanitation & Technical Services;
- Water Service Authority & Municipal Health Services
- Social and Development Planning

The Municipal Manager is responsible, subject to the policy direction of the council, for the management of the administration in accordance with the Systems Act and other applicable legislation. Importantly, the municipal manager is tasked with the implementation of the IDP and the monitoring of its progress and making sure that the municipality is financially viable. The onus is on the municipal manager, as head of the administration, to see to the implementation of the principles and values in his or her administration. Critically, section 51(d) of MSA stipulates that all staff and councillors must align their roles and responsibilities with the priorities and objectives of the IDP. The municipal manager also ensures that everyone within the administration contributes towards the implementation of the IDP.

Uthukela District Municipality council also appointed General Managers, after consultation with the Municipal Manager. Municipal manager has negotiated performance contracts (section 56 of the Systems Act) with new appointees. This represents a balance between the council's interest in appointing a Senior Management team to drive its IDP goals and the municipal manager's interest in having an opportunity to influence appointments and subsequently formalizing what is expected of the new manager in a performance agreement. The working relations in Uthukela District Municipality is of high-quality. The Municipal Manager together with Section 56 managers has established a Senior Management committee where departmental issues of the municipality are deliberated and such matters are taken to Council for decision making.

Management Structure

Name	Portfolio	Roles and Responsibilities
 <p data-bbox="153 864 352 898">Mr SN Kunene</p>	<p data-bbox="579 353 842 387">Municipal Manager</p>	<p data-bbox="874 353 1447 719">To ensure effective executive management of the municipality addressing agreed political priorities, ensuring that the operation of the Municipality is restructured to deliver effectively and also to ensure that citizens are given sufficient information, opportunity and encouragement to participate in and influence the affairs of the municipality. The Municipal Manager's Office has the following divisions:</p> <ul data-bbox="874 719 1447 898" style="list-style-type: none"> Internal Audit Section Performance Management Systems Section Integrated Development Plan Section Monitoring and Evaluation Mayoral
 <p data-bbox="153 1361 400 1395">Mrs PZH Kubheka</p>	<p data-bbox="579 907 783 974">Chief Financial Officer</p>	<p data-bbox="874 907 1415 1055">To ensure that the District Municipality's finances are managed in a sustainable manner and meet the needs of the community in the following sections:</p> <ul data-bbox="874 1055 1415 1312" style="list-style-type: none"> Revenue Expenditure Budgeting and Financial Management Services Supply Chain Management Services Contract Management Asset Management
 <p data-bbox="153 1984 368 2018">Mr BS Hlomuka</p>	<p data-bbox="579 1402 831 1469">General Manager: Corporate Services</p>	<p data-bbox="874 1402 1415 1469">To ensure that effective and efficient services are rendered by the Municipality. This division has the following units:</p> <ul data-bbox="874 1469 1415 1760" style="list-style-type: none"> Human Resources Services Administration Secretariat Legal Section Information and Communication Technology Fleet Management

 <p>Mr SCB Zikalala</p>	<p>Acting General Manager: Water, Sanitation and Technical Services</p>	<p>The main function of this division is to operate and maintain the water and sanitation networks in both urban and rural areas within the District and to also ensure that water and waste water infrastructure is managed properly in order to produce water which is of good standard. This division has the following units:</p> <ul style="list-style-type: none"> Project Management Section Operations and Maintenance Bulk Water Waste Water Management Rural And Urban Water Reticulation
 <p>Mr BH Khoza</p>	<p>General Manager: Municipal Health and WSA</p>	<p>To perform the governance and compliance functions which include planning, regulating and ensuring access to basic water and sanitation services and also to ensure the health and wellness of the employees within the working environment. This division has the following sections:</p> <ul style="list-style-type: none"> Municipal Health Services Water Services Authority Occupational Health & Safety
 <p>Mr ZN Khuzwayo</p>	<p>General Manager: Social and Economic Development</p>	<p>To assist economical distressed communities by promoting a favourable business environment through strategic investment public infrastructure and technology and also to provide tools and information to maximise district competitiveness and enable economic growth for UThukela Industries. The main purpose of this division is to enhance economic growth for communities by developing partnership with private sectors and non-governmental organisations. This division is comprised of the following sections:</p> <ul style="list-style-type: none"> Planning and Local Economic Development Disaster Management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Inter-Governmental Relations (IGR) is really about improving the delivery of outcomes through effective systems, processes and procedures that ensured cooperation of different role players around policy formulation, planning, monitoring and support and delivery. uThukela District Municipality has established IGR Structures in terms of the Intergovernmental Relations Act 13 of 2005. The District Mayor IGR is the decision making within the District and its family of municipalities. The Mayor's forum participates to the Premier's IGR forum that is convened by the Premier to implement resolutions taken at Provincial level.

The Municipal Managers IGR sits on regular bases to recommend issues to be discussed and implement resolutions of the political IGR. The following are "political" and non-political inter-governmental Structures that facilitate inter-governmental relations within the province, between the district, province and local municipalities:

Structure	Participants	Responsibilities
Political Structures		
Premier's	Premier Mayors Heads of Departments Municipal Managers	Co-ordination of inter-governmental relations (Provincial and Local Government)
Intergovernmental Relations (Mayors) Forum	Executive Mayor Mayors Traditional Leaders Municipal Managers	Co-ordination of inter-municipal relations (District and Local Municipalities)
Speakers' Forum	Speakers of District and Local Municipalities	Co-ordinate public participation processes in the municipalities
Non-Political Structures		
Technical support (Municipal Managers) Forum	All municipal managers within the District as well as sector departments	To support the District Intergovernmental Forum (DIF) by promoting and supporting the facilitation of intergovernmental relations and cooperative governance in the UDM area by: ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions supporting the DIF by ensuring that sufficient technical analysis has been conducted before making recommendations coordinating activities and/or functions throughout the district Implementing decisions its own decisions as well as those of the DIF in a coordinated and cooperative manner.
District Area Finance Forum	All Chief Financial Officers within the District	To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions

		<p>supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations</p> <p>coordinating activities and/or functions throughout the district</p> <p>Implementing decisions of the DIF, TSF as well as those of the forum in coordinated and cooperative manner.</p>
Planning and Development Forum	All Planning General Managers within the District	<p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions</p> <p>Supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations</p> <p>Coordinating activities and/or functions throughout the district</p> <p>Implementing decisions of the TSF as well as those of its own in coordinated and co-operative manner.</p>
Technical/ Infrastructure Forum	All Technical and Engineering Senior Managers within the District	<p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions</p> <p>supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations</p> <p>coordinating activities and/or functions throughout the district</p> <p>Implementing decisions of the DIF, TSF as well as those the forum in coordinated and cooperative manner.</p>
General and Social Services	All Social including communications Senior Managers	<p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: ensuring effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions</p> <p>supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations</p> <p>coordinating activities and/or functions throughout the district</p> <p>Implementing decisions of the DIF, TSF as well as those the forum in coordinated and cooperative manner.</p>
Corporate services	All Corporate Services General	<p>To promote and support the facilitation of intergovernmental relations and cooperative governance in the Uthukela District Municipal area by: ensuring</p>

	Managers within the District	effective and efficient service delivery unhampered by jurisdictional boundaries, powers and functions supporting the TSF by ensuring that sufficient technical analysis has been conducted before making recommendations coordinating activities and/or functions throughout the district Implementing decisions of the DIF, TSF as well as those of the forum in coordinated and cooperative manner.
Technical Task Team	Sector Departmental Officials Municipal Senior Managers (Directors) Municipal Officials	Provide inter-governmental inputs into the work of Clusters
Provincial Development Planning Forum	IDP Managers at local and District level; Development Planners from the Provincial Sector Departments; and Parastatals	Provide for a coherent intergovernmental planning framework and alignment and integration of development plans in the province.
IDP District Steering Committee	Managers in IDP, LED, Infrastructure and Town Planning Units at local and district level; Development Planners from the Provincial Sector Departments at district and provincial level; and Parastatals	Forum wherein planners in the district converge and conduct joint planning as well as co-act on the directives from both the National Development Planning Forum and the Provincial Development Planning Forum
District Technical Advisory Committee (PMS)	PMS Officials and IDP Managers	Provide for a district wide OPMS & IPMS frameworks implementation plans

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Uthukela District Municipality had public participation mechanisms within its area of jurisdiction which included among others Council Outreach programme and IDP/Budget Public Consultative meetings. The District Municipality has achieved remarkable progress in institutionalizing and implementing its Communication Strategy, Consultation mechanisms, Stakeholder participation and Customer Care. The mechanisms that the District utilizes in communication included the annual report, website, print media, events, as well as loud hailing and local radio station.

The District has put in place various programmes of public participation to strengthen interaction with community members and stakeholders in local municipalities, that is, through outreach programmes and IDP/Budget Consultative Meetings. The main purpose of this interaction is to create platform and opportunity for political leadership of the District to directly communicate with community members and stakeholders on issues relating to service delivery in municipalities implemented in line with the IDP, as well as to promote transparency and accountability. The following programmes were held during the financial year- 2018/2019 financial year:

PROGRAMME	VENUE	DATE
Primary stakeholder Engagement (Family of Municipalities)	UThukela District Municipality Council Chamber	10/04/2018
Stakeholder Engagement (Traditional Leadership)	UThukela District Municipality Council Chamber	10/04/2018
Community Engagement/Consultation	Ekuvukeni Community Hall	11/04/2018
Community Engagement/Consultation	Zwelisha Community Hall	11/04/2018
Community Engagement/Consultation	Kwa-Nobamba Ezitendeni	11/04/2018
Community Engagement/Consultation	Kwa-Lidimbi (Ngaphansi)	11/04/2018
Community Engagement/Consultation	Isandlwana Community Hall	11/04/2018
Community Engagement/Consultation	Wembezi Community Hall	11/04/2018
Community Engagement/Consultation	Khethani Community Hall	12/04/2018
Community Engagement/Consultation	Nkomokazini Community Hall	12/04/2018
Community Engagement/Consultation	Lusitania Community Hall	12/04/2018
Stakeholder Engagement (Business Fraternity, Rate Payers Association, Interfaith, Men's, women and youth sector, Government Departments, Traditional Healers, Civic Society, Senior Citizens, People with disabilities, Sports Feferations, CCG's, CDW'w, Youth Ambassadors and ward Committees)	Civic Hall- Agra Crescent/Ladysmith Town Hall	13/04/2018

WARD COMMITTEES

All local municipalities in the District have established ward committees in all their wards and have ward committee annual programmes, which are in line with the Provincial Guidelines. The work and functionality of ward committees are accounted for quarterly in the District Speakers Forum which is convened and presided over by the Speaker of UThukela District Municipality. The District Speakers Forum is held quarterly and is attended by all the Speakers of the local municipalities.

IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Y
Does the IDP have priorities, objectives, KPIs, development strategies?	Y
Does the IDP have multi-year targets?	Y
Are the above aligned and can they calculate into a score?	Y
Does the budget align directly to the KPIs in the strategic plan?	Y
Do the IDP KPIs align to the Section 54/56 Managers	Y
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Y
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Y
Were the indicators communicated to the public?	Y
Were the four quarter aligned reports submitted within stipulated time frames?	Y

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

Uthukela District Municipality is in a continuous process of ensuring pro-activeness by putting in place preventative and protective measures that will mitigate business risks, thus ensuring that all the objectives set out in the IDP are achieved. The Risk Management Strategy and Anti-Fraud Corruption Strategy are in place and being implemented. The risk management committee is there to monitor the implementation of risk mitigation strategies employed by departments on a quarterly basis. The fraud hotline is fully functional with reported cases being investigated continuously. Awareness campaigns are conducted annually.

Legal Mandate

Municipal Finance Management Act No 56 of 2003

Section 62(1) (c) (i) of the Municipal Finance Management Act, 2003 requires that:

“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –

(c) that the municipality has and maintains effective, efficient and transparent systems –

(i) of financial and risk management and internal control”

Risk Committee Members

The Risk Committee Members are nominated annually by the Municipal Manager. A risk committee charter is reviewed annually by the Risk Committee and approved by the Municipal Manager. The Risk Committee meet quarterly for risk committee meetings.

Municipal Top 20 Risks 2018/2019 Financial Year

Risk No.	Risk Description	Risk	Risk	Q1	Q2	Q3	Q4
		Action Plan	Action Plan	Progress	Progress	Progress	Progress
		Progress	Progress	%	%	%	%
		Annual	Quarterly				
		Target %	Target %				
1	Unsafe work environment	5	1.25	1.25	1.25	1.25	
2	Unsafe drinking water	5	1.25	1.25	1.25	1	
3	Pollution of water resources	5	1.25	1.25	0.25	1	
4	Challenges to improve revenue collection	5	1.25	1.25	0.25	0.25	
5	Challenges to sustain financial viability	5	1.25	1.25	0.25	0.25	
6	Inadequate support on mSCOA software from service provider	5	1.25	1.25	1.25	1.25	
7	Inadequate SCM processes	5	1.25	1.25	0.25	0.25	
8	Over / Under payment of salaries	5	1.25	1.25	1.25	1.25	
9	Inadequate management of municipal fleet	5	1.25	1	0.25	0.25	

10	Lack of credible POE submitted	5	1.25	1.25	0.25	0.25	
11	Inadequate alignment between IDP, Budget ,SDBIP and the PMS System	5	1.25	1.25	0.25	1.25	
12	Non-compliance with back to basics reporting	5	1.25	1.25	1.25	1.25	
13	Economic decline	5	1.25	1.25	1.25	1	
14	Ineffective Customer Call Centre	5	1.25	1.25	1	1	
15	Inadequate of infrastructure to water supply & sanitation infrastructure	5	1.25	0	1	0.25	
16	Poor performance by service providers	5	1.25	0	1	1	
17	Water losses	5	1.25	0	0.25	0.25	
18	Ageing infrastructure	5	1.25	0	0.25	0.25	
19	Poor performance of WTW & WWTW plants.	5	1.25	0	0	0.25	
20	Shortage of supply of water due to Drought	5	1.25	0.25	1	1	
Total % Progress Achieved		100	25	17.5	13.75	14.5	

The Anti-Fraud and Corruption Policy and Prevention Plan and Whistle Blowing Policy has been developed and reviewed annually by Council. Awareness on Anti-Fraud is conducted annually to employees. A District Anti-Fraud Hotline is established and is operational for fraud and corruption to be reported. The challenges in Risk Management is Risk Committee members and employees not understanding the concept of risk management. The shortage of staff in risk management has also proven to be a challenge. However in-house workshops and training for Risk Committee Members and employees on Risk Management Policies has been put as an intervention to assist with the current risk challenges.

The risk management committee meetings held as follows:

Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
1	1	1	1	1	1	1	1

INTERNAL AUDIT

The Internal Audit reviews are conducted regulatory through the approved Audit plan. The reviews are conducted to assess the effectiveness on the internal control system put by management. The audit areas covered includes performance audits, Information Technology audits and Risk based audits which reports are presented to Audit and Performance Committee on quarterly basis. We also do follow up on the finding raised by the Auditor General to review whether that proposed controls as suggested by the Auditor General of South Africa are put in place and functioning. The Audit and Performance audit committee is functional and reports to Council on quarterly basis highlighting shortcomings which may hinder the achievements of our business objectives.

WEBSITE

Section 75 of the Municipal Finance Management Act requires municipalities to place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies, Sections 21 (a) & 21 (b) of the Municipal Systems Act also obliged municipalities to convey specific documents and information to the public, displaying these documents on the municipality's official website. Based on the abovementioned, the ICT Unit strives to place all relevant and updated information on the website. The Municipality views its website as an integral part of communication infrastructure and strategy. The website serves as a tool for community participation, information sharing and disclosure information about decisions taken, council's finances and activities.

Documents Published in Municipal Website	Yes/ No
Current annual and adjustments budgets and all budget related documents (2018/2019)	Y
All current budget-related policies for the 2018/2019budget	Y
The annual report for 2016/2017	Y
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2018/2019)	Y
All quarterly reports tabled in the council in terms of section 52 (d) during 2018/2019	Y

SUPPLY CHAIN MANAGEMENT

The reviewed supply chain management policy in place is in line with the MFMA, Supply Chain regulations and MFMA circulars. The goal of this policy is to provide a framework to ensure a sound and accountable system of supply chain management within the UThukela District Municipality to ensure value for money, open and effective competition, fair dealing, accountable and equity

UThukela District Municipality has a centralized supply chain management function responsible for the procurement of goods and services. The supply chain management unit is supported by the three committees namely, the Bid Specification, Evaluation and Adjudication Committees, appointed in terms of the municipal SCM policy. The following table depicts the number of Bid Committee Meetings held in the 2018/2019 financial year.

Bid Specification	Bid Evaluation	Bid Adjudication
6	10	5

Deviation from normal procurement processes

Department	Less than R30 000	Between R30 001- R200 000	Between R200 001 – R2 000 000	Above R2 000 000
Office of the Municipal Manager	1	1		
Budget and Treasury Office	0	0	0	0
Department of Social Development				1
Municipal Health and Water Services Authority	0	1	0	0
Corporate Services		5		
Water Sanitation and Technical Services	10	12	1	4

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

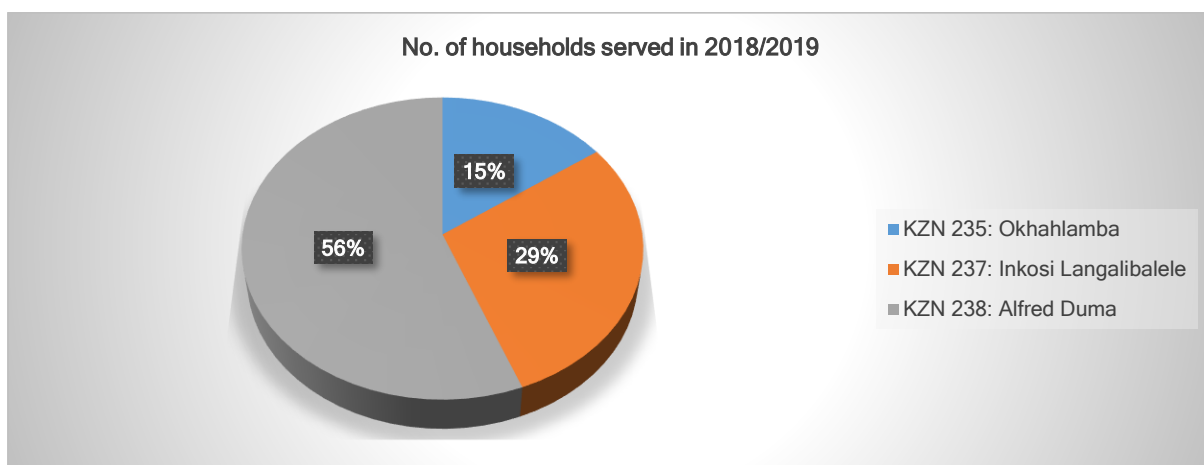
This component includes: water; waste water (sanitation); and a summary of free basic services. UThukela District Municipality is the Water Service Authority (WSA). The core function of UThukela District Municipality is the provision of water and sanitation services. The primary objective is to extend portable water and sanitation services throughout the district by eliminating the backlogs and also to maintain and ensure sustainability of the existing water and sanitation infrastructure. The main objective of the municipality is to ensure the quality of drinking water in the region is improved in as far as the blue and green drop is concerned.

Availability of infrastructure services such as water and sanitation are necessary conditions for economic growth and improvement in the quality of life of citizens. The state of infrastructure within the district has improved over the past years, the challenge in the district is however not primarily the lack of public investment on infrastructure, but poor coordination between the various spheres of government, although this can still be improved.

Water Provision

Water Supply to Households Municipality	No. of Households	No. & % of households served in 2018/2019	
		Number	%
KZN 235: Okhahlamba	34 565	20 401	59.0%
KZN 237: Inkosi Langalibalele	44 687	38 985	87.2%
KZN 238: Alfred Duma	83 717	75 356	90.0%

Uthukela DM Backlog Study for Water & Sanitation, 2017



In terms recent legislation includes the Water Services Act 1997, the Uthukela District Municipality is both a Water Services Authority (WSA) and Water Services Provider (WSP).

Status of Water Services

Fourteen (14) water treatment works were monitored in uThukela Region to ensure compliance. Chemical and Physical analysis were conducted over a period of 12 months by qualified and experienced Laboratory Technicians. Analysis is done to ensure that the water supplied to the public is fit for human consumption.

The overall microbiological compliance rate for uThukela District Municipality has reduced from 94.7% to 92.3%. This percentage is reflected on the Department of Water Affairs' Blue Drop website. Results are compared with the SANS-241 drinking water quality standard for South Africa.

Uthukela district municipality's Water Treatment Works and Waste Water Treatment Works performances are evaluated according to the Blue Drop and Green Drop criteria. The Blue Drop and Green Drop Status scores for uThukela District Municipality are low. Uthukela District Municipality is still not on par with the expectations of the Blue Drop and Green Drop regulatory programme as per compliance and best practices requirements.

The Status of Drought in Uthukela and its Family of Municipalities

It is important for the municipality report on the update on the impact of drought experienced by the KZN province particularly in uThukela district municipality and its family of municipalities. The Premier in consultation with other MEC's declared the province of Kwa-Zulu Natal a disaster area in respect of drought. This was in line with the legislation (Disaster Management Act 57 of 2002). It must be noted that the drought has never been fully eradicated and currently Uthukela district is experiencing severe water shortages.

Alfred Duma Local Municipality

The water supply has been stable in the region. The Mhlumayo scheme was revived and is now operational. The Olifantskop dam is on the brink of failure. There is insufficient raw water flow into the dam from the Sunday's river. We are currently reducing volumes to Ezakheni Water Treatment Plant.

Ezakheni WTP

- Due to strong winds, a power line pole broke causing the wires to touch and trip the power to the plant. Service provider called to repair.
- The gearbox on the paddle stirrer in the circular clarifier is has been replaced.
- The actuators on the backwash filters stopped working and the operator could not back wash. Service provider called to diagnose and repair.
- Flow volume to Aasvoelkop is been reduced according to the request from the Client.
- Pump F at Ezakheni Raw Water is currently not operational; Awaiting spares to repair the pump. A new pump has been procured from APE and expected delivery is 13 December 2019.
- Pump 5 at Aasvoelkop Pump Station, was tripping. Service provider called to determine problem. The motor has burnt out and needs to be repaired awaiting quote.

Olifantskop WTP

Service provider has been procured to identify fault and repair power in the panel in order to clear water pump. The service provider also conducted the assessment on fault pump 1 and pump 2 due to high slit load. Water flow reduced from 6.7ML/d to 4 ML/d due to water level at the dam. Plant is now operating with only one pump set.

Tugela Estates WTP

Water quality has improved slightly but is still not meeting the SANS 241 standard. The Process Services team is on site working on the quality. The panel at Tugela Estates Raw Water required repairs. Pressure filter sand loaded and brought online. Pump Station Number 2 at Mhlumayo PS was non-functional due to a failure of an Eskom breaker.

Risks, Issues, Process & Water Quality and Challenges

Petronella Pump Station

Pump house is accessible to the community, who collect water from gland packing while pump is operational, high risk of injury as no guard over tyre coupling. There is no automatic shutoff when reservoir is full, which leads to reservoir overflowing, loss of treated water and revenue.

Oliphantskop WTP

We have experienced a number of Out of Ranges from the water produced in the plant. The main reason for this is the poor condition of our dosing system and filters. We are hoping that once the plant refurbishment is complete, the OORs will be a thing of the past.

Oliphantskop Dam

The dam failed in terms of storage. Umgeni Water had discussions with the irrigation board, that resulted in 2 subsequent releases that brought the water levels up after approximately 2 weeks.

Tugela Estates Raw Water PS

We have experienced a number of Out of Ranges from the water produced in the plant. The main reason for this is the poor condition of our dosing system and filters. A full refurbishment of the plant is required as a solution to the issues raised above. The high turbidity may have been a result of clarifiers being cleaned. Optimization of the WW is on-going and awaiting the filter media for further topping up the filters.

Ezakheni WTP

Dosing systems need refurbishment and the service provider has been procured to do the refurbishment work. Reservoirs inside the plant have sludge build up. This creates high turbidity in the final water and out of range failures. A full plant refurbishment and upgrade is needed. A scope of work has completed awaiting contractor to be appointed.

Okhahlamba Local Municipality

Okhahlamba has four water treatment works namely Bergville WTW, Winterton, Zwelisha/Moyeni and Langkloof. The Zwelisha Treatment Works is where a challenge of broken pumps and filters.

Four (4) water tankers serviced the entire Bergville area during the financial year under review. Of the thirteen (13) existing boreholes, five (5) were not in use, two (2) were undergoing repairs, and two (2) more had undergoing electrical repairs with six (6) were non-functioning.

Inkosi Langalibalele Local Municipality

The Injisuthi river abstraction always gives challenges in winter months. The situation is aggravated with the drought.

Municipal Response to Drought.

The proposed interventions to refurbish boreholes (hand pumps), drill and equip new production boreholes, drill and equip new boreholes hand pumps, protect and supply water storage to springs, and erect a package plant.

The progress achieved during the financial year 2018/2019:

- One hundred and thirty (130) static tanks (5kl) have been delivered and distributed throughout the district, in Alfred Duma, Okhahlamba and Inkosi Langalibalele Local Municipality.
- Twelve (12) boreholes have been identified, six (6) have been drilled and six (6) awaiting to be equipped.

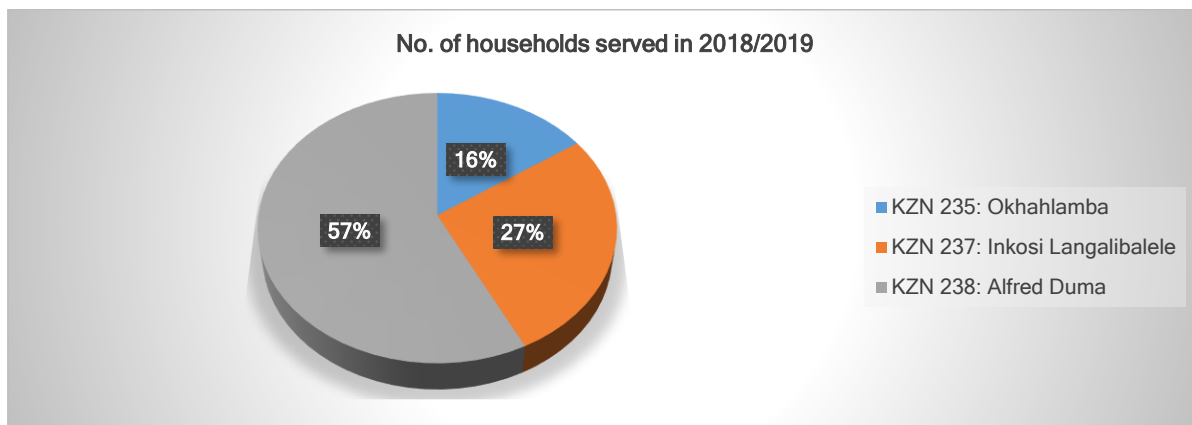
The Department of Co-operative Governance and Traditional Affairs has approved R10 million for upgrading and refurbishment of boreholes within Uthukela District Municipality:

Waste Water (Sanitation) Provision

Sanitation is the hygienic means of promoting health through prevention of human contact with the hazards of wastes. The fact that most households within the district do not have RDP level sanitation constitutes a major risk in terms of ground water pollution, environmental and health problems. The main types of sanitary systems used in the district are water-borne sewerage (flush toilets), septic tanks and Ventilated Improved Pit latrines. Water-borne sewerage is mainly found in towns and townships, septic tanks are mainly on privately owned properties like farms, hotels, etc.

Sanitation Supply to Households Municipality	No. of Households	No. & % of households served in 2018/2019	
		Number	%
KZN 235: Okhahlamba	34 565	20 576	59.5
KZN 237: Inkosi Langalibalele	44 687	36 235	80.2
KZN 238: Alfred Duma	83 717	76 559	91.5

Uthukela DM Backlog Study for Water & Sanitation, 2017



Operational and Maintenance Plan for Water and Sanitation

Generally, water and sanitation projects experience their most serious problems with operation and maintenance and with cost recovery aspects. Infrastructure projects have a finite design life and require routine maintenance. Therefore, it is imperative to plan for operation and maintenance, with a planned withdrawal of external support as local ownership builds.

Uthukela District Municipality as a Water Service Authority have developed the Operational and Maintenance (O&M) Plan and the plan is under implementation.

The Uthukela District Municipality Operational & Maintenance Plan refers to all of the activities needed to run water supply and sanitation schemes, except for the construction of new facilities. The overall aim of the uThukela district municipal Operational and Maintenance (O&M) plan is to ensure efficiency,

effectiveness and sustainability of water and sanitation facilities in the uThukela family of municipalities. The following are some of the advantages of the uThukela district municipality Operational and Maintenance (O&M) Plan:

- Operation and Maintenance activities ensure that the project is sustainable in a long-term
- Operational and Maintenance activities enhance the efficiency of the infrastructure and sustains the provision of services

Challenges

Since demographic details are dynamic and changes all the time, it is recommended that the household and settlement data sets be updated on a continuous basis in order for the data sets, any spatial analysis thereof, be kept relevant.

- Operations and maintenance budget does not cater for aging infrastructure.
- The demand vs current infrastructure (plants performed beyond designed capacity)
- Skilled personnel

Intervention

It is hoped that the abovementioned water supply challenges will be addressed if all relevant role players namely, the community, private sector and spheres of government co-operate and play their respective roles in supporting uThukela District Municipality in managing water services. The implementation of effective interventions to address water and sanitation challenges will not only improve the quality of water and sanitation services delivery in the district. The effective monitoring of the water and waste water treatment plants will improve the Blue Drop and Green Drop scores. At the end of this financial year 78.7 % of the district population had access to piped water, while 81% had access to sanitation. This service delivery record inspired the Municipality to press ahead harder with more projects on the cards to meet Millennium Development Goals.

DISASTER

UThukela District Disaster Management Centre comprises of Fire Unit, Disaster Unit and Call Centre. The Disaster Unit functions includes reducing and eradicating any risk that the area may face due to disasters. Attend any disaster incidents occurred within the district and report all incidents to Provincial Disaster Management Centre. Provide support to our local municipalities on disaster related matters. Coordinate all stakeholders when there is a disaster occurred within the district.

Section 42 of the Disaster Management Act (Act 57 of 2002) states that each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality aimed at ensuring an integrated and uniform approach to disaster management in its area. The Uthukela district municipality Disaster Risk Management Framework was developed. The framework is in line with the National and Provincial frameworks and deals with each of the four Key Performance Areas as well as the three enablers. Key performance indicators have been set for each of the KPA's as well as the three enablers and it will be reviewed.

Municipal Disaster Management Advisory Forum

Section 51 of the Disaster Management Act (Act 57 of 2002) states that district municipalities may establish a municipal disaster management advisory Forum. The uThukela District Disaster Risk Management Advisory Forum was established. According to subsection (1) a forum is a body in which the municipality and other key stakeholders consult one another and co-ordinate their actions on matters relating to disaster management in areas under their jurisdiction. The uThukela district municipality advisory forum is made

up of all relevant stakeholders within the district who may be involved in issues related to disaster management. One of the challenges faced by the forum is non-attendance of key stakeholders at the meetings; the forum meets on quarterly basis.

Disaster awareness campaign

Communities need to be made aware and educated on the risks in their areas, and what to do when the disaster strikes. The District Disaster Management unit has therefore developed this Community Awareness, Educational Programme, Capacity Building and Workshops in order to create resilient communities on disaster management. One of the fundamental aims of this campaign is to ensure the visibility of District Disaster Management unit at local level.

District Disaster Management unit in consultation with other stakeholders rolled out campaigns to in the form of Community Awareness, Educational Programme, Capacity Building and Workshops, where locals will play a huge role in identifying proper venues and mobilising local communities, amongst other things. During the programme itself, all messages were based on the district risk profiles for those particular areas.

Risk reduction and Prevention

It is not possible to completely prevent all disaster events. Their severity can be reduced, however, through on-going disaster mitigation efforts. Disaster prevention refers to actions that provide “outright avoidance” of the adverse impact of hazards and related environmental, technological and biological disasters. UThukela District Municipality uses the following strategies applicable to preventive intervention:

- Effective land-use planning;
- Basic public works and
- Effective municipal services that factor in the frequency and severity of natural or other hazards as well as human action

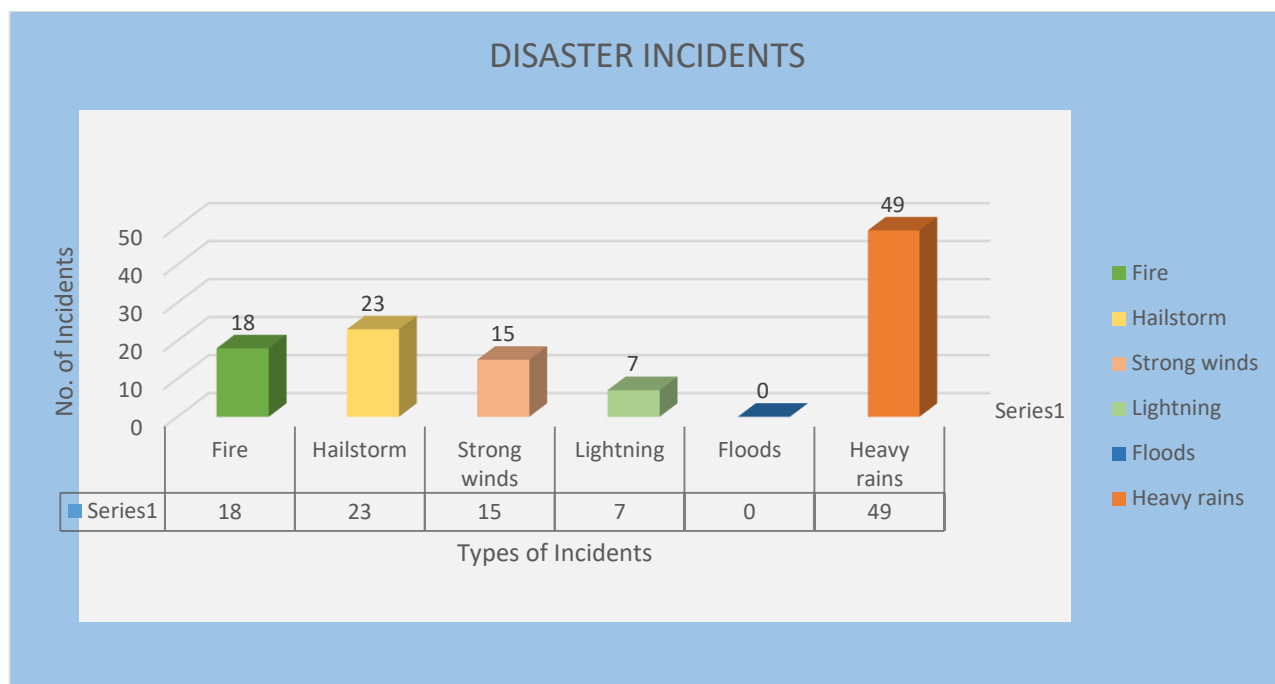
Response and Discovery

Section 53 of the Disaster Management Act (Act 57 of 2002) deals with disaster management plans for municipal areas. Section 53 (1) (k) of the Act prescribes that a disaster management plan must contain contingency plans and emergency procedures in the event of a disaster, providing for prompt disaster response and relief and the procurement of essential goods and services.

The Disaster management centre budgets annually for the purchase of relief materials in the form of temporal shelters/tents, blankets, lightning conductors and plastic sheeting. This material is provided to victims of disasters or serious incidents when necessary. All local municipalities are supported in this programme and relief materials are provided to them when it is necessary. Relief efforts, in the event of disasters and/or incidents, are coordinated through the local municipality disaster management officials and the district disaster management centre.

The following outlines the incidents that were reported in the Local areas.

DISASTERS AND DISASTER-RELATED INCIDENTS



The district had one hundred and twelve (112) incidents during the period. As can be seen from the chart above, there were eighteen (18) fires, twenty-three (23) hailstorms, fifteen (15) strong winds, seven (7) lightning and two hundred and forty nine (49) heavy rains

These incidents affected two thousand and two (2002) households. Six hundred and ninety-two (692) structures were totally damaged and one thousand two hundred and thirty-five (1235) were partially damaged. Seven thousand two hundred and ninety-four (7294) people were involved, five (5) unfortunately suffered injuries, and one (1) fatality was reported. Four (4) people were reported missing and were later found dead.

SUMMATIVE STATISTICS OF THE ANNUAL REPORT 2018/2019

Local Municipalities	Types of Incidents	Number Incidents	Households Affected	Houses Affected		People Affected	Fatalities	Injuries	Missing Persons	Fire
				Totally Destroyed	Partially Damaged					
INKosi Langalibalele	Fire Hailstorm Strong winds Lightning Heavy rains	40	709	219	349	2320	0	5	2	0
Okhahlamba	Fire Hailstorm Strong winds Lightning	48	786	258	548	2009	0	0	1	2

	Heavy									
Alfred Duma	Fire Hailstorm Strong winds Lightning Heavy	24	507	215	338	2965	1	5	1	2
Total		112	2002	692	1235	7294	1	5	4	4

COMPONENT B: PLANNING AND DEVELOPMENT

The Spatial Development Framework is an integral part of the Municipality's IDP. It represents the spatial expression of the Council's development vision.

Planning

LAND DEVELOPMENT AND LAND USE MANAGEMENT

The SDF integrate and coordinate on a broader level spatial information which includes the four local municipalities and Land Use Management Schemes on the other hand deals with the detailed administration of land development and land use change. These schemes assist to guide development and land control management. The implementation of the Land Use Management Schemes is still a challenge as majority of the settlements in the district are not formalized therefore, a phased approach will be used in order to address the challenge. The recent promulgation of Spatial Planning Land Use Management Act (SPLUMA) Act; 16 of 2013 requires all local municipalities to develop wall to wall Land Use Schemes according to the reviewed guidelines that are now aligned to the Act.

Land Use Management and Implementation of Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA)

Spatial Planning and Land Use Management Act (SPLUMA) was signed into law by the President on 02 August 2013, and formally published in the gazette on the 05 August 2013. The enactment of SPLUMA has brought several fundamental changes in spatial planning and land use management. Among those changes are: -

- Reiteration of the sole mandate of municipalities where municipal planning (land development, land use management) is concerned, placing municipalities as authorities of first instance in validating inconsistent parallel mechanisms, parallel systems, measures or institution that existed dealing with land development application;
- Establishment and composition of Municipal Planning Tribunals and Appeals structures by municipalities to determine and decide on land development applications. Also providing municipalities with options for Tribunals and appeals structures to be created based on capacity.

Local economic Development

The purpose of the LED Strategy is to position the Uthukela district as a centre of sustainable economic growth and development. The LED is in partial fulfilment of the district's IDP goals, which will position the district in attaining its vision as "An improved quality of life for all in a globally interconnected, stable and developed region."

Sectoral Contribution to Uthukela District Municipality's economy

	2001	2006	2011	Average annual growth 2001-2011
Agriculture, forestry and fishing	425	619	946	8%
Mining and quarrying	90	75	76	-2%
Manufacturing	1 917	2 389	2 857	4%
Electricity, gas and water	333	378	402	2%
Construction	184	249	394	11%
Wholesale and retail trade, catering and accommodation	1 116	1 688	2 342	8%
Transport, storage and communication	806	1 326	1 873	9%
Finance, insurance, real estate and business services	833	1 433	2 069	10%
Community, social and personal services	475	617	730	4%
General government	1 116	1 334	1 784	5%

UThukela Economic Development Agency

A development agency is a Special Purpose Vehicle and independent legal entity that can be used effectively by municipalities to facilitate the implementation of economic development projects. Development agencies throughout South Africa have been designed to bridge the gap between the public and private sectors in terms of industrial and economic development. Such agencies are developed to become competitive enterprises within the industry that operate using sound business management principles in order to stimulate local economies and increase regional economic growth. The key objective of development agencies in KwaZulu-Natal is to facilitate, package and achieve the implementation of strategic and sustainable economic development investment projects.

UThukela District Municipality has established a District Development Agency and the following board of directors were appointed.

Board Member	Gender
Augustine Mxolisi Msomi	Male
Mumtaz Asmal	Female
Osman Dawood Amla	Male
Peter Arthur Stockil	Male
Joseph Mhambi Mosia	Male
Kwazi Henry Nduli	Male
Sanele Shabalala	Male

PROJECT IMPLEMENTED BY THE AGENCY

Agri-business - raset / agri-parks

The Agency has an overarching primary mandate to deliver on the Radical Agrarian Socio Economic Transformation (RASET) / Agri-Parks programme and a secondary one to support the Department of Agriculture & Rural Development with the National Food Security Programme. In some instances, the two

focus areas are linked (i.e. using BBBEE farmers to supply affordable and domestic food). For this reason, all agrarian projects undertaken by the Agency are aimed at addressing these two focus areas. Between April and June 2019 the Agency embarked on roadshows and met with small farmers and cooperatives from the following local municipalities: Alfred Duma, Okhahlamba and Inkosi Langalibalele to inform and mobilize them for RASET.

Colenso power and coal mining

This is private investment that started 8 years ago, a lot of studies including EIA had been done initially for the construction of the power station. The project is located at Alfred Duma local municipality. The project is worth over 10 billion and will create a lot of employment once it starts. The status of the project now is the investor is now perusing gasification due to delays caused by the national government. Meetings for this project are taking place on monthly basis.

Reviving of chicory farming at inkosi langalibalele local municipality.

The Nestle factory in Estcourt initiated a program of helping small farmers to farm chicory and sell it to them however there has been a lot of challenges regarding this project. There is willingness from Nestle to help in reviving this project since it will help them to get it local instead of importing it from India.

The Agency has embarked on reviving this project, and has met with the various stakeholders including the funder of the project namely the Agribusiness Development Agency (ADA). A new business plan is being prepared.

Smelter park

Several meetings between the Agency and the developer have been held. This is a private investment worth over R 20 billion which will also help with employment creation within the Inkosi Langalibalele Local Municipality jurisdiction. It is also identified as a provincial catalytic project. At the moment the challenge with this project is land acquisition by the investor. The Department of Rural Development and Land Reform (DRDLR) is responsible for the land.

Stynberg piggery farm

UEDA has been working with this investor from April 2019. The Project is located at Okhahlamba local municipality, it involves pig breeding and will create some job opportunities.

Ueda projects – jobs created and retained

In the 2018/2019 financial year there were no job opportunities created. The reason being, the Agency was still at an establishment phase.

Cooperatives supported by ueda

For 2018/2019 financial year, there were no cooperatives supported, since the Agency was still putting systems and policies in place, such as SCM policies. For 2018/2019 financial year the Agency will embark on the RASET project and use it as a platform to support new cooperatives.

COMPONENT C: COMMUNITY & SOCIAL SERVICES

The Special Programmes section ensures that all previously marginalised groups - the youth, women, elderly and disabled in the municipality are mainstreamed into the developmental agenda. In making sure that Uthukela District Municipality responds to the needs of these groups of people, various special programmes structures have been launched and implemented. During the period under review the district successfully coordinated and commemorated the following special programmes:

Senior Citizens

On the 11th to 13th of September 2018, uThukela District Municipality participated in the Golden Games tournament took place in Richards Bay under King Cetshwayo District Municipality. uThukela District team participated in all sports codes that were assigned to senior citizens.

Gender Based Programmes

Provincial Reed Dance Celebration

On the 7th to 9th of September 2018, maidens and matrons attended the cultural event called Reed Dance Ceremony in Enyokeni at KwaNongoma. His Majesty's daughter led the procession. The groups were dressed in their respective colours presenting their reeds from their various districts. Uthukela District Municipality supported the event by providing transport to the maidens and matrons to and from the event.

District Men's Health and Wellness Event

uThukela District Municipality in partnership with Men's Sector (Brothers for Life) hosted the event under the theme "*amadoda angempela awahlukumezi, ehluKumezayo akuyona indoda*". The event took place on August 01, 2018 at Enyokeni Sportsground in Ezakheni Township under Alfred Duma Local Municipality. The event was blessed by the District Mayor Cllr AS Mazibuko, Alfred Duma Local Municipality Mayor Cllr MV Madlala, uThukela District Municipality Deputy Mayor Cllr NW Mchunu and Chairperson of Water, Sanitation, Municipal Health and Water Service Authority Portfolio Committee Cllr S Dlungwane.

Indigenous Games

Indigenous Games were hosted by Amajuba District Municipality on the 10th to 12th of August 2018. The Uthukela team were provided with transport, tracksuits, sport bags, caps, t-shirts and shorts. Uthukela District Municipality were participated in the following codes: umlabalaba, ukhokho, induku, juskei, diebke, ingqathu, incuva, amangenda and drie stokkies.

16 Days of Activism for No Violence Against Women and Children Abuse

The 16 Days of Activism for no violence against women and children abuse launch took place at Ingoba Community Hall under Okhahlamba Local Municipality. In launching the programme at Okhahlamba Local Municipality, it was proposed that the launch should unveil a chance to present the findings of the survey on "*ukuthwala*" which is a forced marriage practice on adolescent girls, young women in Okhahlamba Local Municipality.

HIV/AIDS Programme

The following HIV/AIDS activities were conducted in 2018/2019 financial year:

Activity	Date	Venue
District Aids Council Meeting	05 July 2018	Inkosi Langalibalele Local Municipality
Condoms Distribution	10 August 2018	Alfred Duma Local Municipality
	13 August 2018	
Teenage Pregnancy Awareness Campaign	31 August 2018	Inkosi Langalibalele Local Municipality
Global Fund Career Jamboree Event	05 September 2018	Alfred Duma Local Municipality
Women's Health Event	13 September 2018	Inkosi Langalibalele Local Municipality
Soul Buddy and Peer Educators Camp	14 September 2018	Alfred Duma Local Municipality

Provincial Disability Games

The Provincial Disability Games took place on the 09-11 November 2018 at Stanger under ILembe District Municipality. The overall District performance in the Provincial Disability Games was very good.

COMPONENT D: ENVIRONMENTAL PROTECTION

To manage all the components of environmental management within Uthukela district, including planning, monitoring, enforcement, education and awareness, air quality management, environmental advisory services as well as capacity building and empowerment to ensure that the function of environmental management is established and promoted with Uthukela district. Uthukela District Municipality aims to manage and direct the effective rendering of a comprehensive and professional Environmental Management service to residents of the district to ensure a sustainable, healthy and safe environment for every person to live, work and recreate within the district.

UThukela District Municipality in conjunction with relevant sector departments celebrated environmental calendar days and offered environmental awareness education campaigns and other capacity building initiatives to stakeholders throughout the district to address environmental management challenges. Compliance monitoring inspections and enforcement actions were undertaken on Environmental Management by our team together with other enforcement agencies.

COMPONENT E: HEALTH

Health Inspection: Premises and Food Inspections

Health inspections involve inspection of food handling premises, non-food handling premises and institutions and issuing of compliance certificates and notices. These include inspection of water, waste water and solid waste management. The two main targets include food safety monitoring and water quality monitoring services.

Service Statistics For Health Inspection	
Number of food premises inspected	925

Section 32 of the National Health Act No.61 of 2003 mandates District and Metropolitan municipalities to perform Municipal Health Services in their areas of jurisdiction. In terms the division of powers and

functions between Local and District municipalities as provided for in section 84 of the Municipal Structures Act No.117 of 1998, Municipal Health Services must be performed by District Municipalities.

Since the District is the custodian of municipal health services, it has drafted and adopted Municipal Health Services by-laws and submitted them to be gazetted.

The Municipal Health system functions within Uthukela district municipality and ensures that there is improvement in the quality of: - food, water, waste, communicable diseases control, the monitoring of compliance as well as holding formal health and hygiene education sessions.

The following aspects of Municipal Health Services were rendered in Uthukela District during the period under review: Water Quality Monitoring, Food Safety Control, Waste Management, Health Surveillance of Premises, Surveillance and Control of Communicable Diseases, Control of Disease Vectors, Control of Environmental Pollution, Control of the Disposal of the Dead, Ensure Chemical Safety.

COMPONENT F: SECURITY AND SAFETY

Fire and Rescue

The uThukela district municipality has two personnel coordinating fire service unit at a district level. The operations on fire services are currently based at our family local municipalities, which is Alfred Duma, Inkosi Langalibalele and Okhahlamba.

Uthukela district municipality has a draft document for fire bylaws which is being circulated to various departments for comments and it will also be presented to the IGR, Advisory forum meeting, Portfolio committee and the council for adoption. However, they are currently facilitating that all local municipalities in our family to submit their draft fire bylaws.

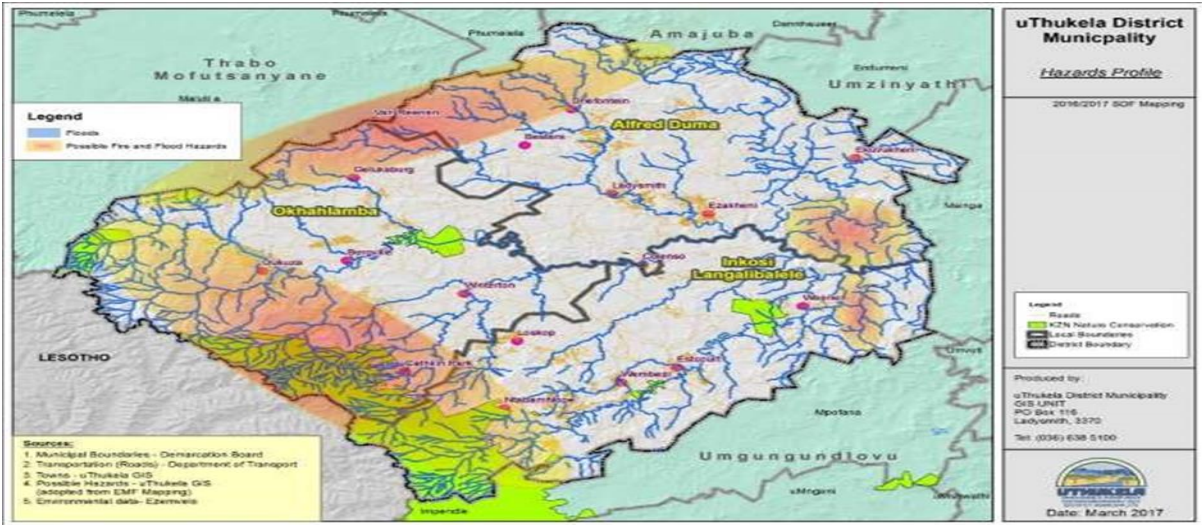
Table 8: Identified Hazards for uThukela District Municipality

Identified Hazards
Lightning
Strong Winds
Chlorine leakage or an hazcem incident (esp. in Ladysmith)
Large industrial fires, bulk depots spillages or fires
Lightning
Fires
Railway Accidents (railway passes dam wall)
Strong winds and storms
Soil Erosion
Environmental Degradation
Floods
Snow
Hazmat
Air Pollution (CO ₂ , Acid rain, Plants)
Water contamination

N3 or N11 incidents
Possible dam failure (Thukela and Bushman intersect)

These risks have been identified during risk analysis workshops with communities throughout the district as well as historical data gathered from incident assessments over the past five years. It was possible to compile appropriate GIS profile maps Using the detail disaster hazard, vulnerability and risk assessments of UTM. These GIS-profile maps summarise the disaster hazard, vulnerability and risk analysis of UDM. Hence, these profile maps indicate the risk profile of the UTM area of jurisdiction. Below is the disaster hazards profile map and a diagram of uThukela district municipality and its family of municipalities.

Map 3: Hazard Map



OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The District Disaster Management Centre is located under Alfred Duma Local Municipality servicing the entire district. Main Disaster hazards identified in the District are the strong winds, drought, heavy storms and veld fires amongst others. Almost all communities in the district are affected in one way or the other by these hazards although, the degree in which they are affected differs based on their vulnerability. The focus of the services is measured based on the following key performance areas and enablers:

- Institutional Capacity building for the Disaster Management
- Pre-Disaster Risk Reduction
- Post Disaster Recovery
- Public Awareness Campaigns

The top service delivery priorities

Institutional Capacity Building	Recruitment and establishment of Disaster Management Volunteers Capacity building program –for community based structures to promote disaster risk reduction programs.
Pre-Disaster Risk Reduction	Development of risk reduction strategies Incorporating risk reduction strategies and plans into the municipal IDP.
Post –Disaster Recovery	Responding to disasters (windstorms, displaced families due to disaster activities).

	Facilitated provision of disaster emergency houses to disaster victims with the help of different stakeholders
Education, Training, Awareness campaigns	Conducting community based training and awareness campaigns (primary and secondary schools as well as in communities).
Response and relief interventions	Respond to all reported incidents within the set standard of 72 hours.

Challenges

Disaster Management Services is run from a minimum budget and this can pose a challenge in case of a major disaster, another challenge that is experienced by Disaster Management Services is not receiving cooperation from sector departments and Local Municipalities.

Interventions

- Disaster Management Services convened a session with sector departments and the sector departments committed to cooperate and assist where they can be regarding disasters in the district.
- A Disaster Management workshop was conducted for all councillors
- Community based training and awareness campaigns were conducted
- Operation Sukuma Sakhe works closely with Disaster Management Services

COMPONENT G: SPORT AND RECREATION

The district is playing a minimum role within the context of its powers and functions. Most of these services reside within the ambit of department of Sport, Arts and Culture as well as that of local municipalities with the district offering some support within the extent of available resources. However, the following were some sport activities the sports office carried out.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

Human Resource Management is central to the strategic thrust of the District. It is geared to achieve optimal outcomes and impact on Service Delivery. The function is organized and discharged through the following units; Human Resources Management and Human Resources Development.

- Human Resources Management – the unit is responsible for employee relations, provisioning and maintenance which include recruitment, selection, labour relations as well as benefits administration.
- Human Resources Development – the unit is responsible for training and development of employees and implementation of the organizational structure.

In terms of human resources development, the municipality ensures that employees realize their personal as well as organizational goals as far as career development is concerned. Employee personal problems that may adversely impact their work performance, health and wellbeing are dealt with through the Employee wellness programme.

Recruitment and selection of positions is done continuously as a result of vacancies. The human resources division has facilitated municipal transformation by ensuring the implementing the Employment Equity Act. The municipality implements a performance management system and assessments are done on a quarterly basis for all municipal employees. Performance rewards for eligible employees are paid annually to the municipal personnel.

COMPONENT A: TURNOVER AND VACANCIES

Labour Turnover

Department	No. of Employees	No. of Approved Posts
Office of the Municipal Manager	68	72
Department of Social Services	44	43
Corporate Services	79	76
Municipal Health and Water Services Department	37	39
Budget and Treasury Office	108	89
Water and Technical Services	684	841

Vacancy rating

Financial Year	Number of total appointments at the end of the financial year	New Appointments	No. of terminations in the financial year	Turnover rate
2018/2019	258	122	34	

In terms of the Employment Equity Act, 1998, it is the duty of uThukela district municipality to consult, draft and implement the Employment Equity Plan in order to achieve equity in the workplace. Uthukela District Municipality has developed and adopted the Employment Equity Plan that is promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

In drafting of the Employment Equity Plan all, the relevant stakeholders were involved including the Local Labour Forum. One of the objectives of the Plan is to focus on the development of present staff and an affirmative action programme aimed at specifically addressing the training and advancement needs of previously disadvantaged groups.

Racial classification

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	0	1	0	0	0	0	0	5
Senior management	0	0	1	2	3	0	0	0	0	0	6
Professionally qualified and experienced specialists and mid-management	21	0	1	0	6	0	0	1	0	0	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	106	1	4	6	58	0	3	0	0	0	178
Semi-skilled and discretionary decision making	188	0	4	0	87	0	5	0	0	0	284
Unskilled and defined decision making	381	0	1	0	54	0	0	0	0	0	436
TOTAL PERMANENT	700	1	10	8	209	0	8	1	0	0	938
Temporary employees	72	0	0	0	10	0	0	0	0	0	82
GRAND TOTAL	772	1	10	8	206	0	8	1	0	0	1020

Critical posts

Name	Department	Status	Gender
SN Kunene	Municipal Manager	Filled	Male
BS Hlomuka	General Manager: Corporate Services	Filled	Male
PHZ Kubheka	Chief Finance Officer	Filled	Female
SCB Zikalala	Acting General Manager: Water, Sanitation and Technical services	Acting	Male
BH Khoza	General Manager: Municipal health and water service authority	Filled	Male

NZ Khuzwayo	General Manager: Social and Economic Services	Filled	Male
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Uthukela district municipality has developed and adopted the human resource strategy. On the other hand, the municipality have compiled and adopted the Human Resource Policies in an enabling spirit and sets out the policy relating to employment within the municipality. These policies are the enabling tool to facilitate human resources management within the municipality. In compiling the uThukela District Municipality Human Resource Policies, reference was made to documents such as the Employment Equity Act No.55 of 1998, the Labour Relations Act No.66 of 1995, the Skills Development Act No97 of 1998, the Municipal Finance Management Act No.56 of 2003, White Paper on Affirmative Action in the Public Service and the White Paper on Human Resource Management in the Public Service. Uthukela district municipality has developed and adopted the following HR policies.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

The municipality developed and adopted the Recruitment and Selection Policy, which is being implemented. Recruitment and selection in the municipality is done according to the documented municipal policy. The recruitment policy highlights that all posts shall be analysed to determine realistic person and post requirements that meet the needs of the job and which do not privilege people with higher qualifications than those needed for the position. The selection policy emphasises that first preference will be given to the best candidate as per the interview results regardless of whether the applicant is internal or external.

Among others, the following HR related policies were also developed, reviewed and developed:

No.	Name of Policy	Reviewed Y/N	Date adopted by council
1	Placement Policy	Y	31/05/2019
2	Employment policy	Y	31/05/2019
3	Employment Equity policy	Y	31/05/2019
4	Leave policy	Y	31/05/2019
5	Recruitment, Skills Retention and Selection policy	Y	31/05/2019
6	Permanent employment policy	Y	31/05/2019
7	Temporal employment policy	Y	31/05/2019
8	HIV/AIDS policy	Y	31/05/2019
9	Smoking policy	Y	31/05/2019
10	Sexual Harassment policy	Y	31/05/2019
11	In service Training policy	Y	31/05/2019
12	Communication policy	Y	31/05/2019
13	Training and Development policy	Y	31/05/2019
14	S&T policy	Y	31/05/2019
15	Promotion policy	Y	31/05/2019
16	Placement Policy	Y	31/05/2019
17	Employment policy	Y	31/05/2019
18	Employment Equity policy	Y	31/05/2019

Injury on Duty

Injury on duty statistics 2018/2019			
Number of reported injury on duty	Temporary disabled	Permanently disabled	Cost to municipality

Performance Rewards

Performance Rewards 2018/2019				
Designation	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2012/19
Section 56 Managers				Performance Rewards were not paid in the year under review
	Males	4	0	
Municipal Manager	Male	1	0	

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

The municipality will as have required by legislation, develop a Workplace Skills Plan on annual basis. This will be followed by a development of a detailed implementation plan that will outline the process to be followed in implementing the plan. The municipality will continue to make funds available on each financial year to ensure that capacity building is funded and both the organization and employees benefit from this project.

SKILLS DEVELOPMENT AND TRAINING

Skills planning are central to the improvement of the overall skills level of the municipal officials as well as the unemployed in the Uthukela District Municipality. The municipality identifies what skills are required and develop strategies, tasks and schedules to ensure that we build those skills in order to deliver on our Integrated Development Plan strategic objectives.

Uthukela District Municipality do comply with Skills Development Act. The District has developed and implementing workplace skills development plan in order to enhance the skills of the staff and thereby improve their competencies. The Workplace Skills Plan is developed on annual basis and adopted by Council. After the adoption, it is then submitted to LGSETA for accessing funds. However, the funding that was received was insufficient to meet the needs of the District. Uthukela workplace skills plan outlines the training and development for the municipality. It also addresses the gaps and shortfalls in skills required and identified positive ways of addressing them.

Skills Matrix

Department	No. of employees identified for training at start of financial year	No. of employees that received training at end of financial year
Legislators/ Councillors	31	0
Office of the Municipal Manager	25	09
Department of Social Services	30	17
Corporate Services	15	12
Municipal Health and Water Services Department	30	0
Budget and Treasury Office	20	05
Water and Technical Services	60	11

List of trainings provided

- Monitoring and Evaluation
- VIP Leave Module
- MSCOA
- MFMP
- Quality Assessment
- Munsoft-Asset Module
- First aid training Level 3
- VIP –Basic Payroll
- Employment equity
- End user Computing

COMPONENT D: DEPARTMENTAL SERVICE DELIVERY REPORT

This component includes gives a brief departmental performance for the current year.

Introduction

In terms of section 46 of the Municipal Systems Act of 2000, municipalities are required to prepare an Annual Performance Report that is to form part of the Annual Report to be prepared in terms of the Municipal Finance Management Act. This Report therefore reports on performance on Organisational Objectives with regard to the progress made by the Municipality. It also gives an indication of achievements and failures made with regard to the implementation of programmes and projects on planned targets as set out in the approved Service Delivery and Budget Implementation Plans (SDBIP).

Purpose of a Performance Management System

PMS is defined as “a strategic approach to management which equips leaders, managers, employees and stakeholders at different levels, with a set of tools and techniques to regularly plan, continuously monitor and periodically measure and review performance of the organisation (municipality) in terms of indicators and targets for efficiency, effectiveness and impact.” A PMS is also intended to assist the Council to improve service delivery by channelling its resources to meet performance targets and in doing so, ensure that the municipality achieves its strategic objectives as contained in its IDP.

Service Delivery Excellence

Essentially, service delivery excellence has its firm basis on providing the optimum services to the community of Uthukela District Municipality in its area of jurisdiction.

Office of the Municipal Manager

The Office of the Municipal Manager achieved target with an overall score of 100% at the end of the financial year. Overall, (20/20) achieved targets. Some of the successes were as follows:

- The Audit charter was developed and approved by the Audit Committee
- Performance quarterly reports were submitted on time to Council.
- The Annual Performance Report was submitted to the Auditor General on time.
- The risk register was reviewed and approved for the entire municipality.
- Municipal Communication Strategy was reviewed and adopted by Council

Challenges: No quarterly newsletters issued during the year under reviewed due to financial constraints.

Budget and Treasury Office

The Budget and Treasury Office achieved target with an overall score of 65% at the end of the financial year. Overall, (13/20) achieved targets and (7/20) targets not achieved. Some of the successes were as follows:

- The budget and reporting programme had success in that all budget related policies were reviewed and approved by council; the draft budget was tabled to Council before the end of March and the final budget for 2018-19, together with IDP and SBDIP, was approved by Council
- Asset verification was done according to schedule.

Challenges: Revenue Collection & Financial Cash Flow

Corporate Services

The Corporate Services achieved target with an overall score of 70% at the end of the financial year. Overall, (7/10) achieved targets and (3/10) targets not achieved. Some of the successes were as follows:

- All legal requirements have been complied to and no corruption cases were identified.
- The organogram has been reviewed.
- All Council structures are functional and sit as planned

Challenges: Appointment of women in the senior management positions (section 54/56) was at 20% at the end of financial year. Four (4) out of five (5) section 56 managers' positions were filled.

Social and Economic Services

The Social and Economic Services achieved target with an overall score of 100% at the end of the financial year. Overall, (14/14) achieved targets. Some of the successes were as follows:

- Facilitating the establishment of Uthukela Development Agency
- Completion of phase 1 of the District Disaster Management Centre and its operational
- Co-ordination and facilitation of Economic Development Summit
- Completion of phase 1 of Agri-Park

Challenges: Financial constraints

Water, Sanitation & Technical Services

The Water, Sanitation & Technical Services achieved target with an overall score of 55% at the end of the financial year. Overall, (16/29) achieved targets and (13/29) targets not achieved. Some of the successes were as follows:

- Water Master Plan is in place and monitored for its implementation.
- Able to source funding for projects implementation

Challenges: Aging infrastructure, Capacity in terms of staffing (vacant posts: General Manager, PMU Manager, and Area Engineer: Inkosi Langalibalele)

Municipal Health and Water Service Authority

The Municipal Health and Water Service Authority achieved target with an overall score of 66.6% at the end of the financial year. Overall, (4/6) achieved targets. Some of the successes were as follows:

- Development of green drop/blue drop improvement plans

Challenges: Filling of vacant positions: EHPs and Manager WSA and Safe measures during plants visits

CHAPTER 5 – FINANCIAL PERFORMANCE

A key indicator of wealth from a municipal perspective is its ability to generate revenue from its communities. A holistic approach to local government sustainability is therefore crucial to ensure maximization of revenue, reducing inefficiency and costs and reducing uncollectible debt. Therefore, there is currently insufficient planning and institutional gearing for the funding and human resources requirements and resources flow between national, provincial sector departments on one hand, and the district and local municipalities on the other.

In turn, this means that the operation and maintenance costs associated with the assets and other resources being transferred to municipalities are inappropriately accounted for. The role of the finance department is to carry out REAL (Revenue, Expenditure, Assets and Liability) management. The challenge that UThukela District Municipality faces is to manage these REAL efficiently, effectively and economically. The District also drafted the Financial Plan which indicates the budget projections for the next MTERF, source of revenue and cost recovery plan.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Uthukela District Municipality				
Annual Financial Statements for the year ended June 30,				
Statement of Financial Performance				
		GROUP		
	Note	2019 R		2018 R
				Restated
REVENUE				
Revenue from Exchange Transactions				
Service charges	23	221,150,003		180,547,607
Interest received (trading)	22	56,209,768		43,393,190
Other Income	22&25	10,512,304		3,750,848
Interest Received - Investment	26	7,104,034		4,191,714
Actuarial gains	7	5,934,317		1,172,704
Total Revenue from exchange transactions		300,910,426		233,056,063
Revenue from Non Exchange Transactions				
Transfer Revenue				
Government grants & subsidies	28	748,620,643		669,869,937
Transfer payment: Uthukela District Municipality		0		0
Public contributions and donations	22&29			7,786,949
Total Revenue from non-exchange transactions		748,620,643		677,656,886
Total revenue		1,049,531,069		910,712,949
EXPENDITURE				
Employee related costs	30	(294,065,379)		(253,135,356)
Remuneration of councillors	31	(6,485,619)		(6,720,559)
Depreciation/Amortisation	32	(73,136,758)		(68,240,898)
Collection costs		-		-
Impairment loss	33			(5,629,839)
Finance costs	34	(4,924,903)		(2,788,880)
Lease rentals on operating lease	24	(809,520)		(1,007,640)
Debt impairment provision	35	(136,548,615)		(131,782,002)
Bad debt written off	51	(6,915,182)		(13,392,510)
Bulk purchases	36	(21,003,126)		(4,778,110)
Contracted services	37	(87,094,950)		(112,307,226)
Transfers and Subsidies	27	-		
Loss on Disposal of assets and liabilities	4	(943,319)		(3,884,205)
General Expenses	38	(151,820,600)		(131,540,842)
Total Expenditure		(783,747,971)		(735,208,067)
NET SURPLUS / (DEFICIT) FOR THE YEAR		265,783,098		175,504,882

GRANTS AND SUBSIDIES

Grant allocation to the value of **698,885,726** was received from various funders during the 2018/2019 financial year.

Grants vs Expenditure Status			
Grant	Allocation	Expenditure	Balance
MIG	180,033,000	180,033,000	0
MWIG	108,493,000	108,493,000	0
RBIG	45,000,000	41,411,809	3,588,191
RRAMS	3,715,391	2,718,140	997,251

ASSETS MANAGEMENT

Asset management is practiced within the organisation based on a comprehensive asset management policy. The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Assets) owned or controlled by the municipality to ensure the following:

- Implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- Verify assets in possession of the Council annually during the course of the financial year.
- Keep a complete and balanced record of all assets in possession of the Council.
- Report in writing all asset losses, where applicable, to Council. Those assets are valued and accounted for in accordance with a statement of GRAP.
- Assets are properly maintained and safeguarded.

The utilization and management of property, plant and equipment is the prime mechanism by which a municipality can fulfil its constitutional mandate for delivery of sustainable services and providing the basic needs to the community. Assets are maintained and recorded in the fixed asset register which is in the format that complies with current standards of accounting practice and in accordance with the applicable GRAP as well as National Treasury.

Largest Assets Acquired

Asset 1

Name				
Description				
Asset Type	Infrastructure			
	2015/2016	2016/2017	2017/18	2018/19
Asset value	R589,791,156	R308,726,885	R648,437,660	241,562,926
Policies in place to manage asset	Yes			

Asset 2

Name				
Description				
Asset Type	Movables			
	2015/2016	2016/2017	2017/18	2018/19
Asset value	R29,987,730	R38,230,659	R48,184,849	3,231,869
Policies in place to manage asset	Yes			

Asset 3

Name				
Description				
Asset Type	Buildings			
	2015/2016	2016/2017	2018/2019	2018/19
Asset value	R1,464,628	R2,049,868	R3,004,440	0
Policies in place to manage asset	Yes			

Repairs and Maintenance

Repair and Maintenance Expenditure 2018/2019				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repair and Maintenance	41,457,000	51,091,000	24,972,040	26,118,960

INVESTMENTS, CASH FLOWS AND BORROWINGS


Compliance with all legislation applicable to local government and the compilation of fully GRAP compliant financial statements has been a challenging task which has been overcome through the cooperation of every department within the finance section. All inputs are co-ordinated by the Management accounts section and such information ultimately forms the core of the Annual Financial Statements. The following table depicts some of the key ratios which gives a snap shot of the performance of the district municipality over the years.

Ratio	2016/2017	2017/2018	2018/2019
Current Ratio	0,66:1	0,70:1	0.85
Debt Coverage	2,59	1,47	0
Cost Coverage	-1 month	-1 month	1 Month

CASH FLOW

Uthukela District Municipality				
Annual Financial Statements for the year ended June 30,				
Cash Flow Statement				
Figures in Rand	Note(s)	Group		
		2019		2018
				Restated*
Cash flows from operating activities				
Receipts				
Service charges		133,734,851		104,931,191
Grants		751,272,573		669,869,937
Interest income		7,104,034		4,191,714
Other cash item		10,512,304		3,750,848
		902,623,762		782,743,690
Payments				
Employee and councillor costs		-299,279,805		-259,855,915
Suppliers and others		-297,117,629		-303,267,494
Transfer expenditure		0		0
Finance costs		-4,924,903		-2,788,880
		-601,322,337		-565,912,289
Net cash flows from operating activities	41	301,301,425		216,831,401
Cash flows from investing activities				
Purchase of property, plant and equipment	4	-244,682,580		-241,575,251
Cash flows from financing activities				
Nett increase in other liability (Consumer Deposits)		6,711,541		10,013,824
Movement in other liabilities		-22,968,223		14,768,172
Increase / (decrease) in finance lease liability		396,620		-25,264
Net cash flows from financing activities		-15,860,062		24,756,732
Net increase in cash and cash equivalents		40,758,783		12,882
Cash and cash equivalents at the beginning of the year		6,010,767		5,997,885
Cash and cash equivalents at the end of the year	14	46,769,550		6,010,767

Borrowings and Investments

		INVESTMENT REGISTER 01/06/2019 TO 30/06/2019					Jun-19				
		Opening balance as at 1 JUNE 2019		R 101,541,455.78							
		Closing balance as at 30 JUNE 2019		R 38,382,855.86							
		Balance as per this register		R 38,382,855.86							
INVESTMENT ACCOUNT		OPENING BALANCE 6/1/2019	INVESTED	DATE	DISINVESTED	DATE	INTEREST ACCRUED 6/1/2019 TO 6/30/2019	DATE	CHARGES PAID 6/1/2019 TO 6/30/2019	VOTE	CLOSING BALANCE 6/30/2019
NICKNAME	BUSINESS MONEY										
FNB 62283176644	FNB	354,172.27	0.00		0.00		1,499.17	6/30/2019	0.00	300 025 002	355,671.44
INTEREST RATE	6.35%										
NICKNAME	TOA										
FNB 62600579679	FNB	20,305,233.48	0.00		20,000,000.00	6/3/2019	8,888.48	6/30/2019	140.00	300 025 002	313,981.96
INTEREST RATE	6.35%										
NICKNAME	TOA										
FNB 62600812102	FNB	5,305,583.73	0.00		0.00		28,780.98	6/30/2019	0.00	300 025 002	5,334,364.71
INTEREST RATE	6.35%										
NICKNAME	CALL DEPOSIT										
7881006110	NEDBANK	182,106.82	0.00		0.00		935.41	7/1/2019	0.00	300 025 002	183,042.23
INTEREST RATE	6.25%										
NICKNAME	CALL DEPOSIT										
1100433766501	INVESTEC	8,395,078.29	20,592,100.71	6/24/2019	8,243,090.99	6/10/2019	40,303.78	6/30/2019	0.00	300 025 002	20,784,391.79
DISTRICT DISASTER CENTRE											
INTEREST RATE	6.60%										
NICKNAME	FIXED DEPOSIT										
1100433766450	INVESTEC	30,446,101.23	0.00		30,592,100.71	6/24/2019	145,999.48	6/30/2019	0.00	300 025 002	0.00
	7.61%										
NICKNAME	7 DAY NOTICE SELECT										
9341705144	ABSA	26,124,629.41	0.00		15,000,000.00	6/14/2019	138,012.26	6/30/2019	0.00	300 025 002	11,262,641.67
INTEREST RATE	6.65%										
NICKNAME	LIQUIDITY PLUS										
9349109796	ABSA	163,548.94	0.00		0.00		-14,726.88	6/30/2019	60.00	300 025 002	148,762.06
INTEREST RATE	6.15%										
NICKNAME	CALL DEPOSIT										
068455364001	STANDARD BANK	10,265,001.62	0.00		10,283,703.61	6/10/2019	18,701.99	6/10/2019	0.00	300 025 002	0.00
INTEREST RATE	6.65%										
		101,541,455.78	20,592,100.71		84,118,895.31		368,394.68		200.00		38,382,855.86

COMPONENT B: BUDGET AND REPORTING

2018/2019 Adjustment Budget Summary			
Areas of Focus	Original Budget	Adjusted Budget	Variance
Operating Budget	720,109,000	716,844,000	-3,265,000
Capital Budget	407,831,000	345,155,000	-62,676,000

Challenges Facing Municipalities Budgets

- Global economic meltdown
- Huge maintenance and service delivery backlogs
- Rising cost of Operations and Maintenance of water schemes
- Persistent drought in the region, requiring carting of potable water
- Maintaining collection rates at targeted levels
- Unpredictable sporadic changes to cost of fuel
- Increasing cost of electricity
- High maintenance and refurbishment expenditure of ageing infrastructure

EXPENDITURE

The Expenditure Section is structured into several subsections so as to ensure that adequate focus is placed on every aspect i.e. stringent monitoring of payments so as to comply with the requirements of the MFMA Act, as the accurate and timeous payments of staff salaries.

The core vision of the expenditure section, is to, with very limited resources, endeavour to settle payments timeously and ensure that payments are valid, accurate and in accordance with the statutory bodies such as SARS, National Treasury etc. The department also attempts to pay Service Providers within 14 working days of receipt of invoices, to assist small businesses who are cash-strapped.

The challenges that are faced by the department are that of the suppliers' inability to send invoices and required documents on time in order to enable the department to fully achieve the vision of timeous payments of creditors.

MSCOA COMPLIANCE

- The Annual Financial Statement in respect of the 2018/2019 financial year based on the mSCOA 6.2 chart of accounts was successfully completed and the financial statements was submitted to the office of the Auditor General and Provincial Treasury on the 31st of August 2019.
- The municipality successfully migrated to mSCOA version 6.3 as from the 1st of July 2019 and is currently transacting on the 6.3 chart of accounts in respect of the 2019/2020 financial year.
- Initial challenges were experienced with consumer debtor's tariff codes which were incorrectly linked to the general ledger however these have been resolved.
- The municipality is in the process of implementing the automated bank reconciliation facility which is part and parcel of the cashbook module of the Munsoft financial system.
- The use of Caseware software for the generation of section 71 and other financial reporting is also in the process of being implemented.
- The budget in respect of the 2019/2020 financial year and outer years was done on the mSCOA 6.3 chart of accounts.
- Munsoft and Caseware is in the process of finalizing the development of consolidated financial statements.
- The consolidated financial statements in respect of the 2018/2019 financial year was done on excel.

APPENDIX A- POWERS AND FUNCTIONS OF DISTRICT MUNICIPALITY

A municipality has all the powers and functions assigned to it in terms of sections 156 and 229 of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act.

The Municipal Structures Act of 1998 made provision for the division of powers and functions between district and local municipalities. It assigned district-wide functions to district municipalities and most day-to-day service delivery functions to local municipalities. The provincial MECs were empowered to adjust these powers and functions according to the capacity of municipalities to deliver services.

The powers and functions of uThukela District Municipality are as follows:

- Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- Potable water supply systems.
- Domestic waste-water and sewage disposal systems.
- Municipal health services.
- Promotion of local tourism for the area of the district municipality.
- Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
- The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
- The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

APPENDIX B- PORTFOLIO COMMITTEE MEETINGS

Name of Portfolio	Member	Planned Meetings	Actual Meetings
Corporate Service and Performance Management System Portfolio Committee	Chairperson: Cllr TP Shabalala Cllr ES Ndumo Cllr PAM Mfuphi Cllr NKP Mbongwa Cllr GE Mbhele	11	11
Finance and Budget Portfolio Committee	Chairperson: Cllr AS Mazibuko – Mayor Cllr SAM Dladla Cllr MH Msimango Cllr SA Mvelase Cllr NM Hadebe	11	10
Planning, Local Economic Development, Disaster Management, Special Programmes, Communication, Public Participation and Operation Sukuma Sakhe Portfolio Committee	Cllr NW Sibiya Cllr MN Mlotshwa Cllr G Ndaba Cllr NL Zikalala Cllr EM Majola Cllr SV Shabalala Cllr GS Mdluli	11	11
Water, Sanitation, Technical Services, Health Services Portfolio Committee	Chairperson: Cllr MV Khumalo Cllr SB Dlungwane Cllr MB Mbhele Cllr SZP Msibi Cllr MC Mkhize Cllr SM Buthelezi Cllr MM Khoza	11	10
Municipal Public Accounts Committee	Chairperson: Cllr SZ Khumalo Cllr TB Njapha Cllr SE Mbongwa	3	5

	Cllr TP Dlamini Cllr XF Mhlongo Cllr Z Msobomvu Cllr MR Suddaby		
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APPENDIX C- COUNCIL MEETING

Council Member	Political Party Representing	Number of meetings for the year	Number of meetings attended	Number of special meetings attended	Reasons for not attending/Comments
MAZIBUKO A S	ANC	7	5	4	
MAZIBUKO D C P (Ms.)	ANC	7	1	-	Resigned in August 2018
SIBIYA N W (Ms.)	ANC	7	7	5	
KHUMALO MV	ANC	7	3	1	
SHABALALA T P (Ms.)	ANC	7	6	4	
MVELASE S A	IFP	7	6	3	
SHABALALA S V	IFP	7	1	1	Off-sick
NDABA G	ANC	7	7	5	
MDLULI G S	DA	7	6	3	
MSOBOMVU Z	EFF	7	6	1	
HADEBE N M	IFP	7	4	4	
MBONGWA N K P	IFP	7	5	3	Off-sick
KHUMALO S Z	ANC	7	7	5	
DLADLA B S	ANC	7	7	5	

NDUMO E S	ANC	7	6	5	
MBONGWA S E	ANC	7	5	3	
MKHIZE M C	IFP	7	0	0	Resigned in July 2018
MAJOLA E M	IFP	7	5	2	
MBHELE G E	IFP	7	4	4	
SUDDABY M R	DA	7	7	4	
MLOTSHWA M N	ANC	7	7	5	
MBHELE M B	ANC	7	7	4	
ZIKALALA N L (Ms.)	ANC	7	7	4	
DLUNGWANE S B	ANC	7	7	5	
MSIBI S Z P	ANC	7	7	5	
NJAPHA T B	ANC	7	6	3	
KHOZA MM	IFP	7	4	2	
DLAMINI T P	IFP	7	4	2	
MHLONGO X F	IFP	7	4	5	
BUTHELEZI S M	IFP	7	5	3	
MFUPHI P A M	ANC	7	7	3	
MSIMANGA M H	AIC	7	6	4	

APPENDIX D- SERVICE PROVIDERS PERFORMANCE

ASSESSMENT OF EXTERNAL SERVICE PROVIDERS IN TERMS OF SECTION 46(1) (a) OF THE MUNICIPAL SYSTEMS ACT, 32 OF 2000

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports:

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

Bid Number	Name of external Service Provider	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
90-2012 PRS MOTEKO	Moteko Construction	Implementation of the rural road asset management system (RRAMS) grant objectives	R 7 800 000,00	New	New	100%	40%		x	
161-2015 CON SINETHEMBA	Sinethemba Construction	Ezakheni e sewer reticulation	R 19 824 949,84	New	New	100%	100%	x		
154-2014 CON WINWATER MECH	Winwater Mechanical	Construction of Bhekuzulu/Ephangweni water supply scheme phase 7	R 29 141 908,52	New	New	100%	96%	x		
178-2015 HIDROTECH	Hidrotech Infra	Construction of Kwanobamba/Ezitendeni water supply phase 2b		New	New	100%	98%	x		

179-2015 CON SIKOTI	Sikoti Investment cc	Construction of Kwanobamba/Ezitendeni water supply phase 2b	R 27 687 405.57	New	New	100%	90%		x	
11-2015 -CON KENTECH	Kentech	Construction of Kwanobamba/Ezitendeni water supply 3ml water treatment works	R 23 134 117,90	New	New	100%	98%	x		
16-2015 CON SBT CIVILS	SBT Civils	Construction of Kwanobamba/Ezitendeni sanitation sewer reticulation and pump station phase 1a	R 39 304 763,00	New	New	100%	96%	x		
04-2016 CON SINETHEMBA JV CLUS	Sinethemba JV Clus	Sanitation infrastructure upgrade at Ezakheni E	R 19 824 949,84	New	New	100%	100%	x		
15/2015-CON NJENGAMANJE	Njengamanje Trading cc	Weenen/Ezitendeni sanitation project waste water treatment works	R 10 239 217,91	New	New	100%	100%	x		
03/2017-CON MAXODE TRADING & PROJECTS	Maxode Trading & Projects	Bhekuzulu/Ephangweni community water supply scheme: completion of outstanding works	R 84 894 697,69	New	New	25%	10%		x	
186-2015 SEC REDSPIKE	Red Spike Security Services cc	Provision of armed security services	R 22 050 111,84	Provision of security services	Achieved	Provision of security services	Achieved	x		
KZN UTDM 116-2015 TEL VODACOM	Vodacom	Telephone/cell phone expenses for Uthukela District Municipality employees	R 11 155 247	Provision of cellphone	Achieved	Provision of cellphone	Achieved	x		
KZN UTDM 20-2015 BONAKUDE	Bonakude Consulting	Compile a GRAP compliant asset register	R 15 345 950	Assets verification	Achieved	Assets verification	Achieved	x		

KZN UTDM 06-2016 PRS INKAZIMULO	Inkazimulo Business Solutions	Financial management and reporting	R 4 501 219	Revenue Management	Achieved	Revenue Management	Achieved	x		
06/2017-PRS SP PEARL NDABA ATTORNEYS	SP Pearl Ndaba Attorneys	Debt management services for Uthukela District Municipality	Percentage based	New	New	Debt Collection	In progress		x	
06/2017-PRS HAHN COLLECTIONS	Hahn Collections	Debt management services for Uthukela District Municipality	Percentage based	New	New	Debt Collection	In progress		x	

APPENDIX E – ACTION PLAN FOR 2018/2019 AUDITOR GENERAL AUDIT REPORT

Achieved	
In progress/Partially Achieved	
Not Achieved	

Line No.	Findings	Root Causes	Action Plan	Action owner	Responsible official	Due Date	Progress)
<u>BASES FOR QUALIFICATION</u>							
1.	<i>Cash & cash equivalents</i>						
1.1	The municipality did not have adequate internal controls in place to ensure that the cash book is reconciled to the cash and cash equivalents balance and that reconciling items are cleared on a monthly basis resulting in an unexplained difference.	Lack of capacity – bank reconciliations not performed monthly	A dedicated staff member will be tasked to perform monthly reconciliations and will be monitored weekly. Training will be provided to create capacity to	Accountant Revenue. Accountant Financial Reporting.	CFO	31 March 2020	
1.2	In addition, I was unable to obtain sufficient appropriate audit evidence that to confirm the adjustment of R50, 24 million processed to cash and cash equivalents	Lack of evidence supporting the adjustment of R50,24 performed	Appropriate reconciliations will be performed and evidence be made available for audit purposes.	Accountant revenue. Accountant Financial Reporting.	CFO	31 March 2020	
2.	<i>Receivables from exchange transactions</i>						

2.1	I was unable to obtain sufficient appropriate audit evidence that the receivable from exchange transactions were properly recorded, as supporting documents were not provided. I was unable to confirm the receivable from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivable from exchange stated at R99, 1 million as stated in the note 10 to the consolidated and separate financial statements financial statements.	Lack of supporting documents for the adjustment of R50,24 million performed in note 10 of the AFS (R99,1)	Appropriate reconciliations will be performed and evidence be made available for audit purposes.	Accountant revenue. Accountant Financial Reporting	CFO	31 March 2020	
3	Receivables from exchange transactions – service charges						
	The municipality did not recognise items that met the definition of revenue from exchange	Application of GRAP 9.	Create capacity – GRAP standards training.	Manager Revenue	CFO	31 March 2020	

	<p>transactions in accordance with SA Standard of GRAP 9, <i>Revenue from exchange transactions</i>. Revenue from service charges was not accounted for at the fair value of the consideration received or receivable. In addition, the municipality did not maintain adequate records of consumer's billings. I was therefore unable to confirm the service charges by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to service charges stated at R221,15 million (2017-18: R180,55 million) and consumer debtors disclosed at R961,39 million (2017- 18: R843,02 million), in notes 22</p>	<p>Lack of implementation of policies and bylaws.</p> <p>Validity of indigent register.</p> <p>Incorrect tariff charges.</p> <p>Revision of tariffs not in terms of legislation.</p> <p>Application of flat rate.</p> <p>Estimates not in terms of by-laws.</p> <p>Application of GRAP 108.</p> <p>Inadequate</p>	<p>Review and communicate policies to revenue staff.</p> <p>Draft standard operating procedures (SOP) and monitor implementation.</p> <p>Ensure application of correct tariff structure as adopted by Council.</p> <p>Ensure completeness of indigent register.</p>				
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	and 12, respectively to the financial statements	Review of deviation report.					
4	Consumer debtors						
4.1	The municipality recognised statutory receivables where the recognition criteria were not met in accordance with the requirements of SA Standard of GRAP 108, <i>Statutory Receivables</i> . This resulted in an overstatement of statutory receivables by R50, 06 million (2017-18: R21, 46 million) in note 12 to the financial statements. In addition, the municipality did not individually assess consumer debtors for impairment in accordance with the requirements of GRAP 104, <i>Financial Instruments</i> . I was	Application of GRAP 108	Create capacity – GRAP standards training. Restate Consumer debtors in respect of the 2018/2019 financial year in the AFS for 2019/2020	Manager Revenue Senior Manager Finance	CFO	28 February 2020 28 February 2020	

	unable to determine the impact of this misstatement as it was impracticable to do so. Consequently, I was unable to determine whether any adjustment was necessary to allowance for impairment of R793, 63 million (2017-18: 657, 08 million) as stated in the note 12 to the financial statements, which were included in consumer debtors.						
5	Consumer deposits						
	The municipality did not recognise consumer deposits in accordance with GRAP 1, <i>Presentation of financial statements</i> . The municipality recognised consumer deposits that were not actually received	Application of GRAP 1 and GRAP 108	Correction of recognition of consumer deposits 2018/2019 financial year. Restate Consumer debtors in respect of the 2018/2019 financial year in the AFS for 2019/2020	Manager Revenue Senior Manager Finance	CFO	28 February 2020 28 February 2020	

	from the respective consumers. Consequently, consumer deposits and consumer debtors are both overstated by R10,33 million (2017-18: R8,56 million) in notes 21 and 12 respectively to the consolidated and separate financial statements financial statements		Create capacity – GRAP standards training				
6	<i>Payables from exchange transactions</i>						
	The municipality did not recognise all outstanding amounts meeting the definition of a liability in accordance with GRAP 1, Presentation of financial statements. The municipality did not maintain adequate records of outstanding payment for goods and	The municipality did not maintain adequate records of outstanding payment for goods and services received but not yet paid at year-end	Proper reconciliation of trade and other payables will be conducted on monthly basis The invoices will be reviewed by the Manager Expenditure to ensure that costing is done in the correct financial period. Service providers will be informed to provide monthly statements for reconciliation of outstanding invoices.	Manager Expenditure	CFO	30 June 2020	

	<p>services received but not yet paid at year-end. Consequently, payables from exchange transactions as disclosed in note 20 of the separate and consolidated financial statement are understated by an estimated amount of R44, 30 million. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.</p>		<p>Drafting of accrual register.</p>				
7	Cash flow						
	<p>The municipality did not prepare the statement of cash flows in accordance with the requirements of GRAP 2, <i>Cash flow statements</i>. Cash flows from operating activities were misstated as finance costs and changes in</p>	<p>Application of GRAP 2 “cash flow statement”</p>	<p>Consultants “cash flow specialists” to be appointed to assist with cash flow statement and create capacity.</p> <p>The draft annual financial statements will be reviewed by IA, the CFO and the team from PT for accuracy and completeness.</p>	<p>Senior Manager Finance</p>	<p>CFO</p>	<p>28 February 2020</p>	

	<p>working capital were not correctly accounted for and evidence to confirm payments to suppliers and others was not provided for audit purposes. In addition, cash flow from investing activities included non-cash items. I was unable to determine the full extent of the misstatements in the disclosure for the statement of cash flows as it was impractical to do so.</p>						
8	Water losses						
	<p>I was unable to obtain sufficient appropriate audit evidence for the water losses stated at R246,15 million (2017-18: R99,24 million) in note 59 to the financial statements. This was due to inadequate</p>	<p>Inadequate systems and processes for the recording and monitoring of water losses.</p>	<p>Drafting of Water Loss Policy.</p> <p>Drafting of SOP.</p> <p>Documents will be retained to support the calculation of water losses and will be available for audit purposes.</p>		<p>WSA Manager</p>	<p>28 February 2020</p>	

	<p>systems and processes for the recording and monitoring of these losses. I could not confirm the disclosed losses through alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water losses disclosed in the consolidated and separate financial statements financial statements</p>						
9	Commitments						
	<p>The municipality did not recognise capital commitments in accordance with GRAP 17, Property, plant and equipment. The municipality did not establish internal controls to adequately review the commitments</p>	<p>Lack of internal controls to adequately review the commitments register and source documents to support the disclosures made in the annual</p>	<p>The register will be reconciled with the cashbook, grant register and WIP at year end to ensure completeness.</p> <p>Establish internal controls to adequately review the commitments register and source data used.</p>	Contract Manager	CFO	28 February and 31 July 2020	

	<p>register and source data used to support the disclosures made in the annual financial statement resulting in misstatements in the commitments register. In addition, the municipality included completed projects in the commitment schedule. Consequently, commitments as disclosed in note 43 to the consolidated and separate financial statements annual financial statements are overstated by an estimated amount of R11,43 million (2017-18: R17,44 million).</p>	<p>financial statement.</p>					
EMPHASIS OF MATTERS							
1	<i>Restatement of corresponding figures</i>						

	As disclosed in note 46 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 were restated as a result of an errors in the consolidated and separate financial statements of the group at, and for the year ended, 30 June 2019.	Re-statement of corresponding figures in respect of previous financial year.	Recording of accruals. Request amended invoices from service providers in respect of invoices received after accruals has been finalized. (invoice dates) Reconciliation of monthly statements received from service providers to identify outstanding invoices. Draft register of all prior year invoices received after accruals has been finalised.	Manager Expenditure	CFO	28 February and 31 July 2020	
2	Material losses – bad debt						
	As disclosed in note 51 to the consolidated and separate financial statements, material losses of R6,31 million (2018: R13,39 million) was incurred as a result of a write-	Application of bad debt and write-off policy.	Review Debt collection and write off policy. Council resolution in respect of all write-offs.	Manager Revenue	CFO	Monthly	

	off of irrecoverable trade debtors.						
3	Unaudited disclosure notes (non-compliance with MFMA)						
	In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.	Application of section 125 of the MFMA	Compile a register of non-compliance related issues to be reviewed by CFO and Internal Audit on a monthly bases which will be disclosed in the AFS.	SCM manager/Manager Revenue/Manager Expenditure	CFO	Monthly	

OTHER MATTERS

1	Going concern						
	<p>As disclosed in note 49 to the consolidated and separate financial statements indicates that the municipality's current liabilities exceeded its current assets by R70, 56 million as at 30 June 2019. These events or conditions, along with other matters as set forth in note 49 to the consolidated and separate financial statements, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern</p>	<p>Low debtor's collection rate.</p> <p>Inability to pay creditors on time (30 days).</p> <p>Cash backing of unspent grants.</p> <p>Current liabilities exceeding current assets.</p> <p>Enforcement of cost containment measures.</p>	<p>Application of cost containment policy.</p> <p>Monthly reports on progress of cost containment measures.</p> <p>Implementation of IFC resolutions.</p> <p>Ring fencing of conditional grants.</p> <p>Monthly reports on budget recovery plan.</p> <p>All requisitions and payments will be reviewed by IFC prior to processing.</p> <p>Drafting and implementation of procurement plans.</p>	CFO	Accounting Officer	Weekly/Monthly	

2	Annual financial statements						
	As disclosed in note 46 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 were restated as a result of an errors in the consolidated and separate financial statements of the group at, and for the year ended, 30 June 2019	Adjustments relating to the previous financial year.		Manager Expenditure	CFO	15 August 2019	
3	Performance management system						
	The following indicators were approved in the Service Delivery and Budget Implementation Plan (SDBIP). However, these indicators were not reported in the annual performance report submitted: The reported achievement is not	Supporting documents could not be provided. Lack of oversight and review of performance information by Management. Setting of unrealistic targets	SDBIP, IDP, budget and PMS to be aligned. Setting of indicators that comply with smart principals. Quarterly review and monitoring of PMS information by Management. To review a document on processes and procedures of	PMS Manager	Accounting Officer	28 February 2020	

	<p>reliable as the municipality did not have an adequate performance management system to maintain records and reported value was not diligently reviewed and reconciled to the source documents to enable reliable reporting on achievement of targets</p> <p>Material misstatements were identified in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic delivery and infrastructure development priority.</p>	<p>which are not achievable.</p> <p>Quarterly reports not submitted timeously by departments with credible information.</p> <p>Non-alignment of planned document and reported performance information.</p>	<p>collecting, storing, verification and reporting.</p>				
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5	<i>Annual financial statements compliance</i>						
	<p>The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted consolidated and separate financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the consolidated and separate financial statements receiving</p>	<p>Failure to submit financial statement in respect of the Development Agency on time.</p>	<p>The CEO to report on all the processes of the entity in line with the requirements of the MFMA.</p> <p>Supporting documents to be provided for audit purposes.</p>	CFO - UEDA	CEO - UEDA	15 August 2020	

<p>a qualified audit opinion.</p> <p>The annual financial statements for uThukela Economic Development Agency were not submitted to the Auditor-General within two months after the end of the financial year, as required by section 126(2)(b) of the MFMA.</p> <p>The annual financial statements for uThukela Economic Development Agency were not submitted to the Auditor-General within two months after the end of the financial year and council did not investigate the reasons for the failure to submit annual financial statements and take appropriate steps to ensure that the financial statements were submitted to the</p>						
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	Auditor-General as required by section 133(1)(c) of the MFMA						
6	<i>Expenditure management</i>						
	<p>Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.</p> <p>Reasonable steps were not taken to prevent irregular expenditure amounting to R232,64 million as disclosed in note 52 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by awards made to suppliers who tax matters had not been declared by SARS to be in order</p>	<p>Non-payment of creditors within 30 days.</p> <p>Deviation from SCM regulations and SCM policy.</p> <p>Non-implementation of procurement plan.</p> <p>Non-implementation of cost containment policy and cost containment measures.</p>	<p>Weekly cash flow projections to IFC.</p> <p>Weekly creditors listing to IFC.</p> <p>Drafting of creditors payment plan.</p> <p>Communicate payment plan to service providers.</p> <p>Training to be provided to bid committees.</p> <p>Implementation of budget recovery plan.</p>	Manager Expenditure	CFO	Weekly	

	<p>and suppliers who are employed by the state or connected to any person employed by the state in contravention of Municipal Supply Chain Management Regulations. (MSCMR).</p> <p>Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1,99 million as disclosed in note 51 to the annual consolidated and separate financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless & wasteful expenditure was caused by interest incurred on overdue accounts.</p>						
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	<p>Expenditure was incurred in excess of the approved budget, in contravention of section 87(8) of the MFMA.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure amounting to R153,25 million as disclosed in note 50 to the annual consolidated and separate financial statements, in contravention of section 62(1)(d) of the MFMA.</p>						
7	<i>Revenue management</i>						
	An effective system on internal control for revenue and debtors was not in place, as	Lack of internal controls.	Monthly reviews of reconciliations. (Meter readings, deviation report,	Manager Revenue	CFO	Monthly	

	required by section 64(2)(f) of the MFMA	Non-application of revenue management policies.	billing report, GL integration, age analysis)				
8	<i>Division of revenue Act</i>						
	I was unable to obtain sufficient appropriate audit evidence that the Water Services Infrastructure Grant was spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Dora.	Business plan were not provide for audit purposes.	Register to be compiled to record all business plans, MOU's, SLA's and variation orders in respect of all conditional grants. Safeguarding of register and documents in order to be provided for audit purposes. Report to be provided to WSA for monitoring and review monthly.	PMU Manager	WSM	Monthly	
9	<i>SCM management</i>						
	Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in	Deviation from SCM regulations and SCM policy. Non-implementation of procurement plan.	Ongoing training to be provided to bid committees. Implementation and monitoring of budget recovery plan and cost containment measures.	SCM Manager	CFO	Monthly	

<p>contravention of MSCMR 17(a) and (c).</p> <p>Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by MSCMR 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of MSCMR 36(1). Similar non-compliance was also reported in the prior year.</p> <p>Contracts and quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to</p>	<p>Non-implementation of cost containment policy and cost containment measures.</p>	<p>Utilization of CSD.</p> <p>A panel of service providers must be established for emergency services.</p> <p>The SOP will be developed to regulate the management of the panel system.</p>				
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<p>any person employed by the state, as required by MSCMR 13(c).</p> <p>Some of the contracts and quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of MSCMR 43.</p> <p>Some of the contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of MSCMR 21(b) and 28(1)(a) and the 2017 Preferential</p>						
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<p>Procurement Regulations (PPR).</p> <p>Some of the contracts were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and its regulations.</p> <p>Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and PPR.</p> <p>Some of the contracts were made to bidders other than those recommended by the</p>						
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<p>bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b).</p> <p>The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.</p> <p>Awards were made to providers whose directors / principal shareholders were in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were</p>					
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	taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).						
10	<i>Unauthorised, irregular, fruitless and wasteful expenditure</i>						
	<p>Unauthorised, expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a), of the MFMA.</p> <p>Irregular, as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2) (b), of the MFMA.</p>	Investigations not conducted.	Reports on unauthorized, fruitless and wasteful expenditure will be submitted to MPAC whom in turn will report to Council with recommendations.	CFO	Accounting Officer	Monthly	

11	<i>Performance management</i>						
	<p>Annual performance objectives and indicators were not established for uThukela Economic Development Agency and included in its multi-year business plan, as required by section 93B(a) of the MSA.</p> <p>A multi-year business plan for uThukela Economic Development Agency was not developed for inclusion in the budget, as required by section 87(5)(d) of MFMA.</p> <p>The performance of uThukela Economic Development Agency was not monitored and reviewed as part of the annual budget process, as required</p>	<p>Late establishment of the UEDA and appointment of CEO</p>	<p>A business plan must be developed and included in the budget.</p> <p>The Economic Development Agency must be monitored and reviewed as part of the annual budget process.</p> <p>Consolidate UEDA strategic planning document with UTDM IDP and other statutory documents.</p>	CEO - UEDA	CEO - UEDA	20 March 2020	

	by section 93B(b) of the MSA.						
12	<i>Non appointment of auditors</i>						
	The uThukela District Development Agency, being a state-owned company, did not appoint auditors on incorporation as required by the Companies Act.	Late establishment of the UEDA and appointment of CEO.	The UEDA must engage with the Auditor General to utilize its services.	CEO - UEDA	CEO - UEDA	28 February 2020	
13	<i>Review of annual financial statements</i>						
	Review of annual financial statements UEDA.	Late submission.	Review of annual financial statements.	Acting CFO	CEO - UEDA	15 August 2020	

ANNEXTURE A -2018/2019 AUDITOR GENERAL REPORT –

- ❖ UTHUKELA DISTRICT MUNICIPALITY
- ❖ UTHUKELA DISTRICT DEVELOPMENT AGENCY

ANNEXTURE B – 2018/2019 AUDIT AND PERFORMANCE AUDIT REPORT

ANNEXTURE C- 2018/2019 ANNUAL PERFORMANCE REPORT

ANNEXTURE D – 2018/2019 CONSOLIDATED FINANCIAL STATEMENTS
