

# DC43\_Harry Gwala\_Annual Report\_2018/2019



**HARRY GWALA DISTRICT MUNICIPAL COUNCIL**

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VOLUME 1: ANNUAL PERFORMANCE REPORT

VOLUME II: ANNUAL FINANCIAL STATEMENTS

## GLOSSARY OF TERMS AND ABBREVIATIONS

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>AR</b>	Annual Report
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>BDS</b>	Blue Dr.op Status
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>DMA</b>	District Management Area
<b>DoT</b>	Department of Transport
<b>DWA</b>	Department of Water Affairs
<b>EXCO</b>	Executive Committee
<b>F/Y</b>	Financial Year
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GDS</b>	Green Dr.op Status
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
<b>GRAP</b>	Generally Recognized Accounting Practice
<b>HR</b>	Human Resources
<b>IGR</b>	Inter-Governmental Relations
<b>LED</b>	Local Economic Development
<b>LGSETA</b>	Local Government Sector Education and Training Authority
<b>MDG</b>	Millennium Development Goals
<b>MFMA</b>	Municipal Finance Management Act
<b>MSA</b>	Municipal Systems Act, 32 of 2000
<b>MTAS</b>	Municipal Turn Around Strategy
<b>NTP</b>	National Transferee Programme
<b>PMS</b>	Performance Management System
<b>RPMS</b>	Regulatory Performance Management Systems
<b>SDL</b>	Skills Development Levy
<b>HGDM</b>	Harry Gwala District Municipality
<b>VAT</b>	Value Added Tax

<b>WSDP</b>	Water Services Development Plan
<b>WSMP</b>	Water Services Master Plan
<b>WSP</b>	Workplace Skills Plan

**The purpose of this Annual Report**

- To provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- To provide a report on performance in service delivery and budget implementation for the financial year;
- To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- To reduce the additional reporting requirements that will otherwise arise from Government department, monitoring agencies and financial institutions.

In terms of Section 52 (a) of the MFMA, the Mayor of a municipality must provide general political guidance over the fiscal affairs of the municipality.

It is the responsibility of the Mayor/ Executive Mayor to provide a political overview of the performance of the municipality.

The aim of this chapter is to provide an introduction and overview of the municipality/ municipal entity to the reader. This chapter provides the key decision-makers-both on political and administrative level-with opportunity to provide an overview of the functions, geographical area and performance of the municipality / municipal entity.

#### **COMPONENT A: Mayor's Foreword**

That golden opportunity has come whereby as South African municipalities being the sphere of government that is closer to the people, we are afforded space to examine and reflect on the service delivery achievements of the municipalities for the previous year in order to change the lives of our people for the better.

I must at the onset take this opportunity to extend my sincere greetings to all our community members, stakeholders, the municipal administration and the Council at large. It is indeed a great honour to once again take you back to the previous financial year, 2018-2019. We do this in full honor of the law as mandated by Chapter 4 of the Municipal Systems Act No. 32 of 2000. Section 16 (1) of the same act holds that, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-

- (a) Encourage, and create conditions for, the local community to participate in the affairs of the municipality, including :
  - (i) The monitoring and review of its performance, including the outcomes and impact of such performance.

Before my conclusion I will briefly outline to you how we engaged with the public to ensure full adherence to the legislative prescripts but also to enhance and deepen our democracy through public participation.

Harry Gwala District Municipality (HGDM) remains committed to its vision which proclaims that “By 2030 Harry Gwala District Municipality will be a leading Water Services provider in the KZN Province with its communities benefitting from a vibrant agriculture and tourism sectors”. In order to realize this long term vision, on an annual basis as a municipality we set strategic objectives and goals as which are intended to be used as building blocks towards our vision. Our strategic goals are clear and achievable. These strategic objectives cater for Basic Service Delivery, Municipal Transformation and Organizational Development, Good Governance and Public Participation, LED and Social Development and Cross Cutting Issues.

The above strategic objectives are linked to Section 152 (1) (b) of the Constitution of the Republic of South Africa, Act No. 108 of 1996. They have further taken note of the National Development Plan and the Provincial Growth and Development Plan. These National and Provincial perspectives give guidance to municipalities in terms of service delivery imperatives. We are enjoined by the laws of the land to deliver basic services to our communities. For these strategic objectives to be realized, on annual bases we need to allocate budget which will be able to realize each of them.

However over years huge financial and human resources challenges have adversely affected the speed in which we would like to deliver basic services. Regardless of the various limitations this council remains unshaken in its quest of realizing the 2030 vision and in transforming the lives of its people for the better.

### **Public Participation**

Public participation is a process whereby the general public will be fully involved in a number of public participation processes of the municipality.

The municipality consults and involves communities in decision making processes about projects and programs that directly affect their lives. At an individual level, citizens have a right to hold government accountable, and

acquire reasons for government decisions that directly affect them. The following public participation methods were employed to improve public participation.

#### **Methods used to improve public participation**

- Integrated Development Plan/ Budget Road Shows
- Mayoral Road Shows
- Print and air media
- Meetings with ward committees
- Meetings with community stakeholders
- Meetings with Operation Sukuma Sakhe Stakeholders

#### **Principles of Public Participation**

The municipality respects and upholds the following principles:

- Inclusivity
- Diversity
- Flexibility
- Accessibility
- Accountability
- Integration

The task ahead is not easy, the road at times may seem insurmountable but the support that you as members of the public have displayed has surely strengthened us. Indeed we can now see the light at the end of the tunnel. The future is now brighter and warmer. On behalf of Harry Gwala District Municipal Council, I would like to further extend my sincere gratitude to the members of the management echelon of our administration and the entire Harry Gwala District Municipality staff for their continued support and the hard work that they have displayed in the 2018-2019 financial year. In addition I would like to acknowledge and commend good working relations demonstrated by the Councilors as is always driven by common desire to serve our people I trust that in the 2018-2019 financial year efforts will be doubled.

#### **Benefits of Public Participation**

Benefits of public participation include:

Encourages citizen-focused service delivery because the municipality will respond to community needs and be pro-active with regards to service delivery which will prevent service delivery protest;

Develops a clear sense of direction for communities as the process of community consultation can help clarify and focus the community's issues;

Capitalise on a whole range of resources in the community; a municipality will be unaware of the skills hidden in the community (such as local expertise and knowledge) if they never talk to community members;

Add value to municipality's decision-making by drawing on these skills and the wisdom of community members;

Identifies alternatives to be considered when addressing issues -consulting and including a range of people which will ensure a range of alternative views;

Improves municipal credibility with the public if the municipality takes the community's opinions into account in their work;

Creates a better understanding of a project and its objectives as the municipality has told the community and invited them to be involved; and

Enhances community ownership of decisions and resultant outcomes if the community has been part of the decision-making process.

**Measures to Improve Service Delivery:**

- Co-ordinate Monthly progress meetings with all Service Providers i.e. Contractors, Consultants & Social Facilitators.
- Conduct Regular Site Visits for Infrastructure & Social Projects.
- Conduct Awareness Campaigns on effective ways of utilising Infrastructure & Social Projects.
- Capacity Building for all Staff Personnel. i.e. Bursaries, Workshops & Accredited Trainings
- Ensure that all Staff Personnel are competent in all positions
- Information Sharing – All information relating to the operations of HGDM must be made available to the public by means of Notice Boards, HGDM Website, and Newspapers etc.
- Procurement of projects must meet the committed targets.
- Clear Communication with all relevant stakeholders – All stakeholders should be aware of ongoing activities within HGDM.

I have no doubt that the Council that was sworn in on the 25<sup>th</sup> of August 2016 is receiving the same kind of support and guidance from everyone so that we advance the service delivery programs of our District to the satisfaction of our communities within Harry Gwala District.

I thank you

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The Honourable Mayor

Cllr ME Ndobe

**COMPONTE B: Municipal Manager's foreword**

LEGISLATIVE FREMEWORK

The Constitution of the Republic of South Africa, provides a legislative mandate for the municipal manager to be a major role player in managing the administration of the municipality. The quest is to deliver basic services to communities, under the collective consideration and assistance of the Council. Section 156 of the Constitution provides for the executive authority that a municipality has, which is to provide good administration and good governance. A district municipality always has a massive responsibility in ensuring good results and efficiency in the running of the institution. Chapter 3 of the Local Government Municipal Systems Act and Chapter 5 of the Municipal Structures Act, further provides for general empowerment of a municipality to exercise its power for the effective performance of its functions.

Harry Gwala District Municipality has remained within a conduct that ensures that political structures are in place and have remained in place after the local government elections in May 2016. The mechanisms that are used for reporting encourage preparation and adoption of financial and annual reports for the municipality, inclusively of its municipal entity.

#### DERMOGRAPHIC PROFILE

Harry Gwala District Municipality has good administrative relations with its family of four local municipalities that fall under the jurisdiction of the District. These municipalities include Ubuhlebezwe, Greater Kokstad, Nkosazana Dlamini-Zuma and UMzimkhulu local municipalities. The Department of Co-operative Governance and Traditional Affairs serves as a vanguard in providing new developmental ideas on how to assist in the management of these municipalities.

#### STATUS QUO OF THE CURRENT STATE OF AFFAIRS

All Senior management positions have been filled with the exception of the post for the Executive Director Social Services and Development which has entered into recruitment mode, pending finalization after the recruitment cycle has been completed. The Harry Gwala Development Agency which is a subsidiary to the District municipality, has recently appointed a new Chief Executive Officer and new Board Members have been nominated with imminent assumption of duty in due course.

During the 2018/2019 financial year the enhancement of human capital has been administratively effected with the filling in of **58% of the budgeted vacant positions**. Due to insufficient funding, some vacant positions could not all be filled. A large portion of the budget was utilized to compensate Water and Sanitation employees as a result of overtime payments. On the job training and development has been limited due to insufficient funding for capacity building, however, bursaries were awarded to internal staff members. All ICT policies have been developed and have been approved by Council. The Municipal Public Accounts Committee has managed to convene twice in the previous financial year due to ill health of the Chairman. The Audit Committee is functional,

however, the Local Labour Forum has experienced functionality challenges. Meetings have been co-ordinated but have not convened due to a quorum not being reached.

Despite the prevailing financial challenges, Harry Gwala District Municipality still remains at the coalface of service delivery as it is the first point between its citizens and their government. Our main function being the provisioning of Water and Sanitation, keeps the District actively engaged in striving to achieve equal access to all communities within its area of jurisdiction. An effort is maintained through educational programmes, for the benefit of keeping our residents well educated and informed on how to preserve and look after the facilities that we provide. Our Institutional Social Development Facilitators and Customer Care, periodically conduct outreach programmes. By so doing, public confidence is restored. Our Operations and Maintenance teams that comprise of effective plumbers and general workers continuously respond to reported leaks and any other water and sanitation related queries so as to fight against water loss.

The youth of Harry Gwala District are targeted when it comes to Skills Development. Our District has a Youth Manager who is very passionate about School Functionality and Matric performance.

Our Integrated Development Plan for the 2018/2019 financial year is needs driven and more community generated with the content being practical, implementable and value added. It is a strategy that provides a special focus on public participation and the productive involvement of our rural communities. IDP/Budget Road Shows allow for active involvement for all our residents.

In conclusion, I would like to extend a word of gratitude to our Municipal Leadership, Council, the Executive Committee, Portfolio Committees, Senior Management, officials and last but not least, the communities that we serve.

I Thank You.

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MUNICIPAL MANAGER

MRS. A. N. DLAMINI

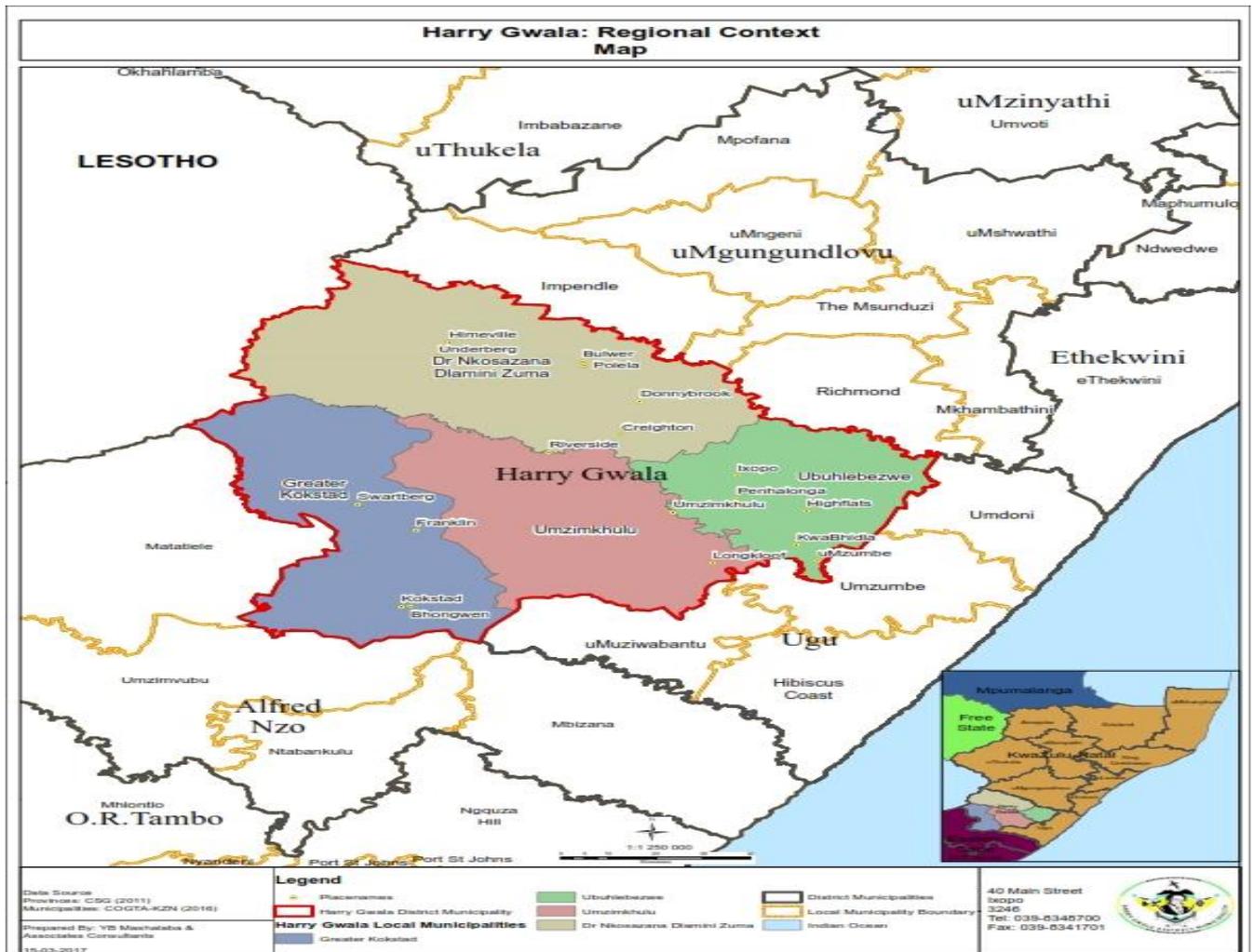
### **1.1 Municipal Overview**

The Harry Gwala District Municipality is located to the South West of the KwaZulu-Natal province. Its population is sparsely spread throughout an area of 11 127. 89997 square kilometers. The Harry Gwala District municipality forms part of the border between KwaZulu-Natal and Eastern Cape Province. The Harry Gwala District

Municipality (DC43) is composed of the following four local municipalities: UBuhlebezwe; Dr. Nkosazane Dlamini Zuma; Greater Kokstad and UMzimkhulu.

### PROVINCIAL LOCATION CONTEXT

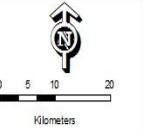
The Harry Gwala District Municipality is one of the ten District Municipalities that forms part of the KwaZulu-Natal Province. It is located at the extreme south of the Province. The Harry Gwala District Municipality is bordered by the following District Municipalities: UThukela to the North; uMgungundlovu to the North East; Alfred Nzo and Ugu to the South East. The location of the District in relation to the aforesaid District municipalities means that, any planning and development-taking place in each District will have an impact on the neighboring Districts. It is therefore imperative to align planning and development activities between the Harry Gwala District Municipality and the respective District Municipalities.



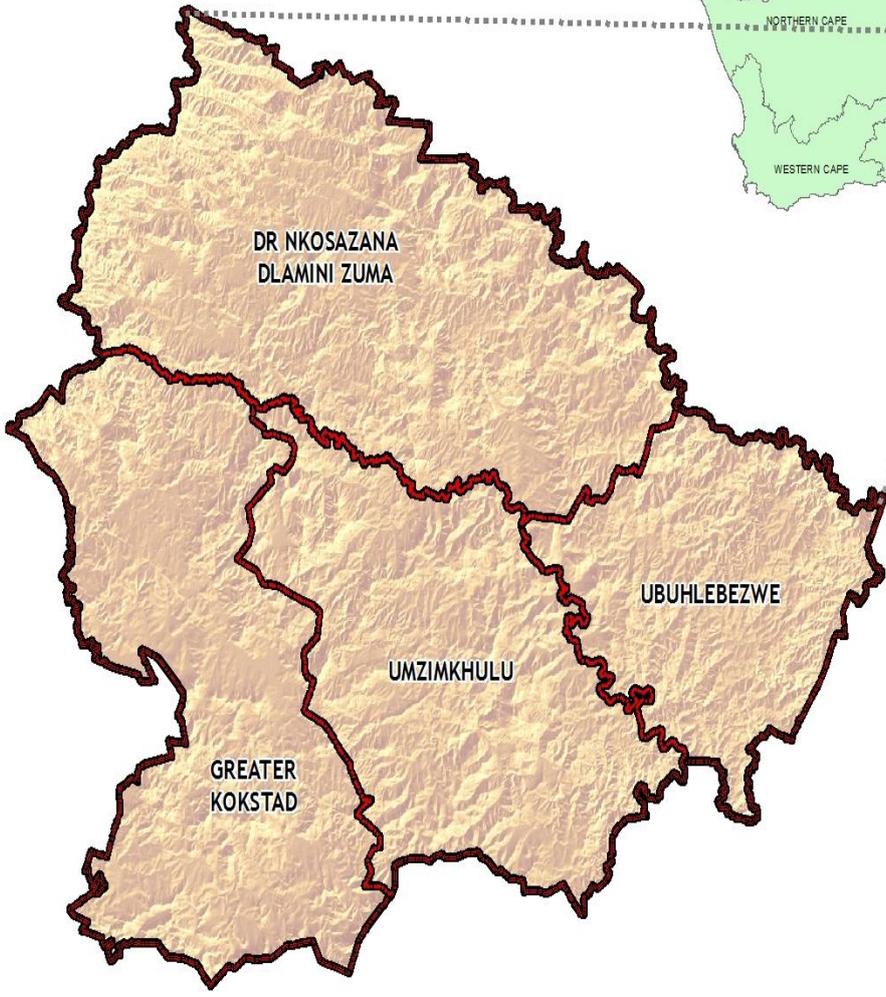
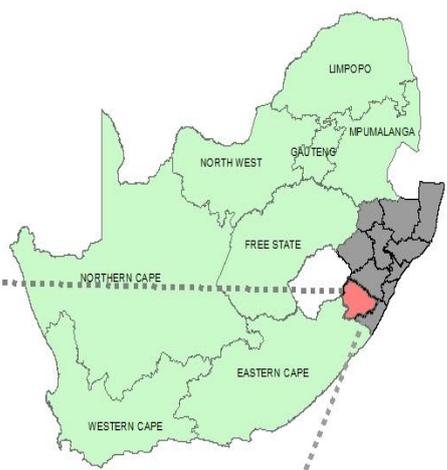
HARRY GWALA DM  
SPATIAL DEVELOPMENT  
FRAMEWORK

HGDM Geographical  
Context

**Legend**  
Harry Gwala DM  
Local Municipalities



40 Main street  
bopo  
3276  
Tel: 039-834 6700  
Fax: 039-834 1700  
Website: www.harrygwaldm.gov.za



### UMZIMKHULO LOCAL MUNICIPALITY

This local municipality is located in the southern part of the district. The area covers 2 435km<sup>2</sup> with 22 wards. The majority of the households are headed by women and youth. Youth programmes are essential in this area as well as programmes that will target women.

### DR. NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY

This municipality came into being in 2016 as a result of amalgamation between Ingwe and KwaSani local municipalities. It is located in the northern to northeast part of the district and consist of 15 wards, with the main towns being Underberg; Bulwer; Donnybrook and Creighton.

### UBUHLEBEZWE LOCAL MUNICIPALITY

This is the home town of the District municipality. It is located in the eastern parts of the district. Ixopo is the main town within the municipality. It consist of 14 wards that span across approximately 1 604 km<sup>2</sup>.

### GREATER KOKSTAD LOCAL MUNICIPALITY

This local municipality is located in the western part of the district and is approximately 2 679km<sup>2</sup>, making it the largest municipality in the district. It consist of 10 wards and the main towns are Franklin and Kokstad.

### DEMOGRAPHIC PROFILE

The Harry Gwala District Municipality (DC43) is one of the ten District Municipalities in KwaZulu-Natal Province and is located South-West of the province. The District Municipality forms part of the border between KwaZulu-Natal and Eastern Cape Province. The municipality area size is 10 618.0 km<sup>2</sup> and the population spread is 48.1 people per square kilometer. Key rivers in the district are the UMzimkhulu and Umkomaas rivers.

#### Population by and number of wards per local municipality

Municipality	Male	Female	Total	Number of wards	No. of Households
Harry Gwala District Municipality	239582	271284	510 660	61	122 973
Greater Kokstad Local Municipality	36878	39875	76753	10	17 842
UBuhlebezwe Local Municipality	55513	62834	118347	14	26 801
UMzimkhulu Local Municipality	90459	106827	197280	22	49 616
Dr Nkosazana Dlamini Zuma Local Municipality	56732	61748	118480	15	28 714

## Harry Gwala: Population Distribution Map

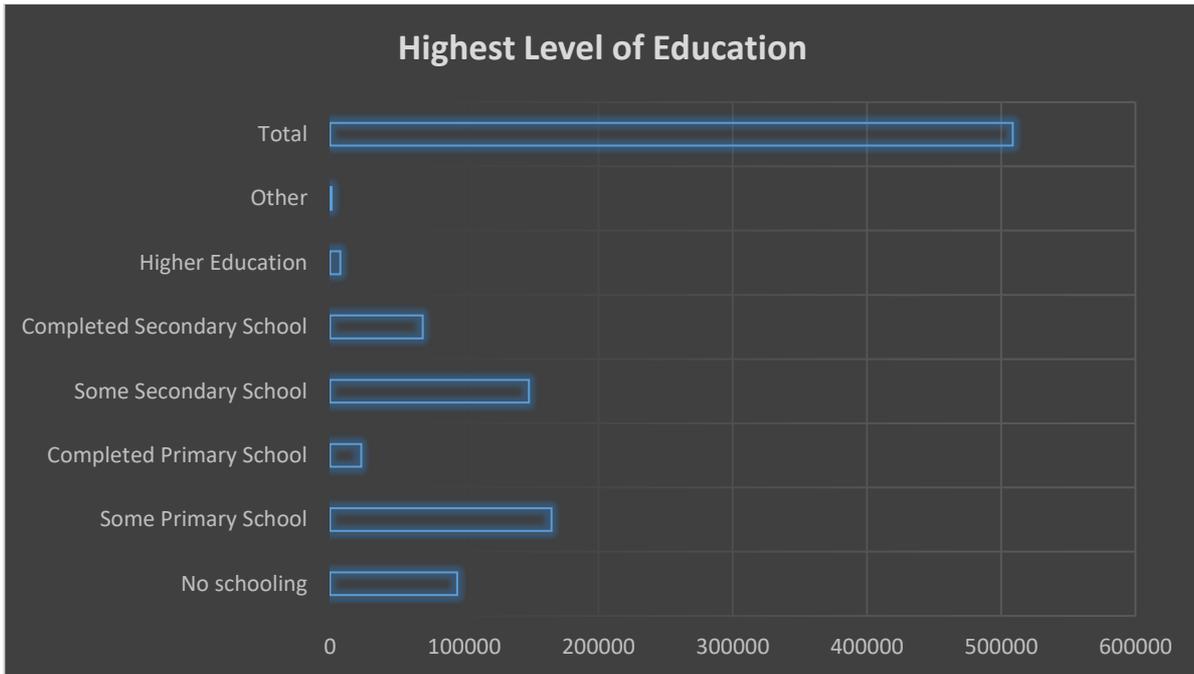


Data Source: Statistics SA (2011)  
 Date: 28/02/2017  
**FS MASHALABA & ASSOCIATES CONSULTANTS**  
 8 First Building  
 107 Zandvoort Street  
 Durbanville 7800

**Legend**

- Placenames
- Roads
- Railways
- 1 Dot = 100
- TOTAL
- District Municipalities
- Local Municipality Boundary
- Indian Ocean





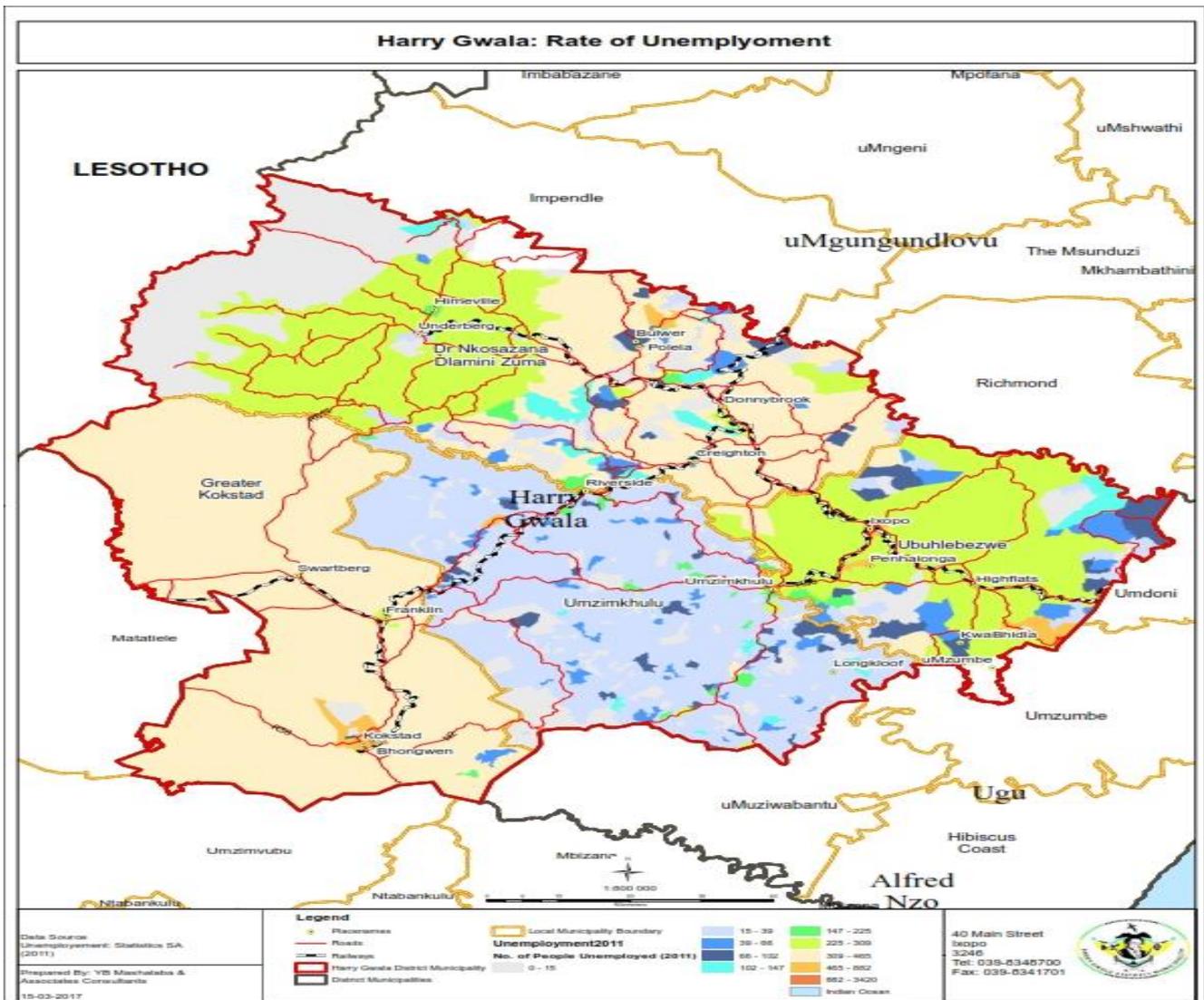
Source: Stats SA Survey 2016

#### Official unemployment rate in KZN and Harry Gwala

AREA	PERCENTAGE
KwaZulu-Natal	26.1%
Harry Gwala District municipality	27.4%
Greater Kokstad local municipality	18.7%
UBuhlebezwe local municipality	25.2%
UMzimkhulu local municipality	34.9%
Nkosazana Dlamini-Zuma local municipality	22.6%

Source: Stats SA Survey 2016

Unemployment in Harry Gwala is higher by 1% from that of the Province. KwaZulu Natal is at 26.1% and Harry Gwala DM is at 25.4%. This is an indication that more work still needs to be done in terms of working together with private businesses to create employment, but of critical importance is to create a conducive environment where business can flourish. More money over the next five years will be invested in infrastructure development as one critical factor that will boost economic development in the district.



**Labour force and the percentage of the labour force to population, 2015**

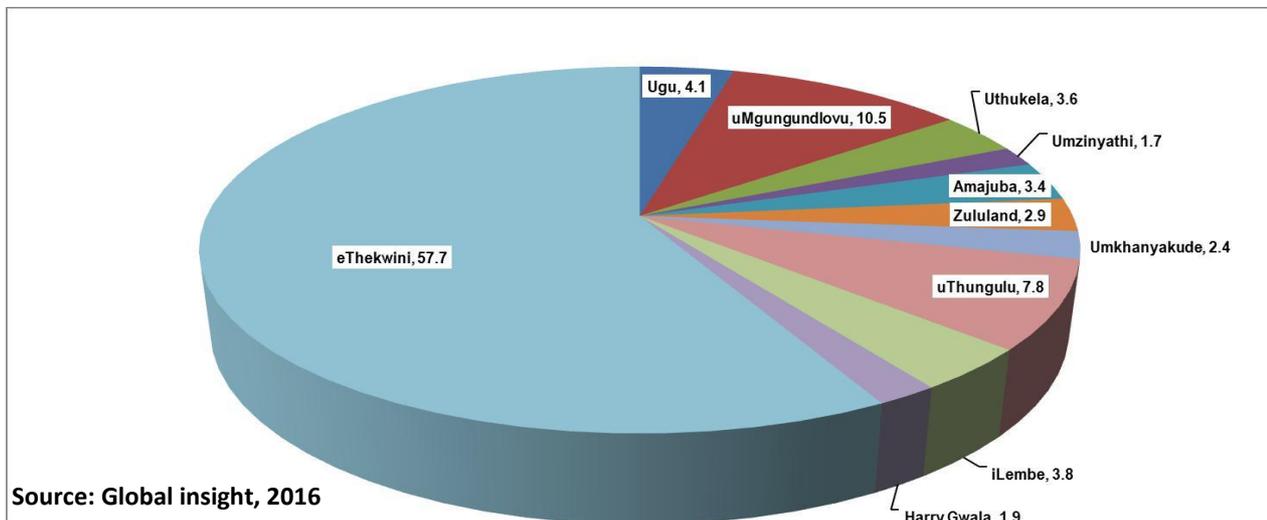
Area	No. of unemployed people	Total employment	Labour force	Population	Percentage of the labour force to population
KwaZulu-Natal	731 128	2 615 869	3 346 998	10 864 049	30.8
Harry Gwala	28 721	81 381	110 102	510 660	22.9
Greater Kokstad	5 864	24 673	30 537	71 961	42.4
UBuhlebezwe	5 956	14 359	20 315	112 199	18.1
uMzimkhulu	10 836	19 907	30 743	185 406	16.6

Dr. Nkosazana Dlamini-Zuma	6 065	22 441	28 506	110 747	25.7
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**Global Insight 2015**

The labor force table above reveals that out of over 500 000 population that resides in Harry Gwala approximately 81 381 is employed by either formally or informally. And the majority of those that are unemployed is the youth between the ages of 14 and 34. This indeed is a worrying factor for the District, but as mentioned in the paragraphs above the District has embarked on a number of programs to assist in this situation, from offering bursaries to needy students to go study at various institutions and has encouraged learners to pay more attention on rare skills like engineering and recently in 2013 a significant number of medical students have been sent to Cuba to study medicine and are expected to complete their degrees in the 2019-2020 financial year.. Most of the youth programs are further narrated in chapter 3 of this document.

**Provincial GDP contributions by districts, 2015**



Source: Global insight, 2016

KZN is the second largest contributor to the South African economy in terms of regional gross domestic product (GDP-R). The estimated real GDP-R generated by the province amounted to approximately R488.1 billion in 2015, making KZN the second largest contributor to the national output (16 percent), after Gauteng with 36.1 percent and slightly above Western Cape at 13.8 percent. Given the economic activities that take place within eThekweni Metro, it is therefore not surprising that the total provincial output is predominantly concentrated in the metro at 57.7 percent. This is followed by uMgungundlovu District at 10.5 percent and uThungulu at 7.8 percent. The least contributing districts are UMzinyathi, Harry Gwala and UMkhanyakude Districts at the estimated rates of 1.7 percent, 1.9 percent and 2.4 percent respectively.

**Households involved in agriculture by category**

	Greater Kokstad Local Municipality	UBuhlebezwe Local Municipality	UMzimkhulu Local Municipality	Dr. Nkosazane Dlamini Zuma Local Municipality
Yes	25836	67911	96278	60928

No	50917	50435	101008	57552
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Source: Stats SA Survey 2016

## 1.2 SERVICE DELIVERY OVERVIEW

The municipality is proud to indicate the achievements in chapter 3 of this Annual Report in relation to the implementation of all the planned bulk infrastructure projects, particularly those that are funded by grants.

## 1.3 ORGANISATIONAL DEVELOPMENT OVERVIEW

As the Harry Gwala District Municipality aims to consolidate the solid gains of the last five years and offer better quality services and performance such as exemplary political and administrative governance, it is crucial to build human resource capital to support the needs of the five-year Integrated Development Plan.

DEPARTMENT	FUNCTIONS
Office of the Municipal Manager	The functional areas of this department are, namely: Internal Audit; Risk Management; and Legal Services.
Budget and Treasury Department	The functional areas of this department are, namely: Income; Expenditure; Budget & Information Systems; and Supply Chain Management.
Corporate Services Department	The functional areas of this department are, namely: Administration; Council Support; Human Resource; Information Communication & Technology; and Strategic Support.
Social Services and Development Planning Department	The functional areas of this department are, namely: Sport and Recreation; Special Programs; Planning and Development; Social Service; Disaster Management; and Integrated Planning & Performance Management.

Infrastructure Services Department	The functional areas of this department are, namely: Municipal Works; Project Management; and Technical Services.
Water and Sanitation Department	The functional areas of this department are, namely: Operations & Maintenance; Water Governance; and Customer Care.

In the 2018-2019 financial year, the municipality has witnessed the following **successes**:

- Filling of all Senior Management positions with the exception of one position which was vacated towards the end of the financial year.
- Filling of most budgeted vacant positions.
- Development of ICT policies (still in draft format) with the assistance from Provincial Treasury through Ernst & Young.
- Functional Municipal Public Accounts Committee.
- Capacitation of the Municipal Public Account Committees of the family of municipalities in the Harry Gwala District.
- Functional Audit Committee.
- Functional Local Labour Forum.

While witnessing the fore stated successes, the encountered challenges outweigh them. The **challenges** that have been noted are as follows:

- Insufficient funding for filling the vacant positions.
- Huge amounts of overtime paid especially to Water and Sanitation employees due to insufficient funding for vacant positions.
- Insufficient funding for capacity building (training and bursaries).
- Poor capacity in the Information Communication and Technology section.
- Longer period taken to fill in budgeted vacant positions.
- Inadequate office accommodation and parking for Councillors and Employees.
- Lack of funding for employee compounds for Water and Sanitation employees.
- Inability to meet certain performance targets due to insufficient funding.

The Delegations of Authority were developed and approved by Council in May 2012. The Council, Office of the Mayor, Office of the Deputy Mayor and the Office of the Speaker have been delegated powers. Each Committee of Council has also been delegated powers within which it will perform its functions and all Senior Managers including the Municipal Manager have also been delegated powers by Council.

## 1.4 FINANCIAL HEALTH OVERVIEW

LIQUIDITY ANALYSIS: The liquidity analysis of the municipality shows a remarkable improvement in the 2014/15 and the trend has declined in the period 2015/2016 to 2016/2017 and in 2017/18 financial year the ratio shows a great improvement and slightly decreased in 2018/19, the positive improvement in the ration is due to a higher positive balance of cash and cash equivalents as well as VAT receivable at year end. Although this ratio was still below the norm of R2 of current assets for every R1 of current liabilities, the 70% improvement in this ratio is concrete evidence on improving financial health of the municipality.

COLLECTION: Collection amount has increased from R47, 7m to R51m in 2018/2019. There is great improvement in collection due to revenue strategy that the municipality is implementing and the process of data cleansing. The dilapidated infrastructure has negative impact on our billing and collection. The indigent register have been developed with a total number of 3 200 households and this will also improve our collection. The municipality is also reviewed its tariff structure in the current financial year, this is in line with the review of the municipality's tariffs which revealed that some of the charges are not fully cost reflective and some services may be rendered at a loss.

<b>Financial Overview 2018-2019</b>					
<b>Details</b>	<b>Original Budget</b>		<b>Adjustment Budget</b>		<b>Actual</b>
Service charges	R	63 465 516	R	82 840 603	58 420 643
Interest	R	16 486 200	R	18 436 801	19 757 937
Other Income	R	728 000	R	728 000	R 743 465
Grants	R	670 805 000	R	700 611 000	R 663 425 155
Sub-Total	R	751 484 716	R	802 616 404	R 742 347 200
Expenditure	R	751 484 279	R	802 558 710	R 802 919 798
Net Total	R	437	R	57 694	R -60 572 598

<b>Operating Ratios 2018-2019</b>	
<b>Details</b>	<b>%</b>
Employee Cost	34%
Repairs and Maintenance	2%

Finance Charges and Impairment	5%
--------------------------------	----

<b>TOTAL CAPITAL EXPENDITURE: Year-2 to Year 0</b>			
<b>Detail</b>	<b>Year-2 (2016/17)</b>	<b>Year-1 (2017/18)</b>	<b>Year 0 (2018/19)</b>
Original Budget	R 348 054 000	R 399 054 000	R 349 789 301
Adjustment Budget	R 311 833 000	R 351 350 000	R 328 400 310
Actual	R 194 447 009	R 220 516 883	R 267 418 353

### 1.5 STATUTORY ANNUAL REPORT PROCESS

Section 127 of the Municipal Finance Management Act, sets out that:

- a) "... the mayor of a municipality must, within seven months after the end of financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control." **[Section 127(2)]**
- b) "... the accounting officer of the municipality must submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province." **[Section 127 (5) (b)]**
- c) "... the council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report..." **[Section 129(1)]**
- d) "... the accounting officer must submit copies of the minutes of the meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province." **[Section 129(2)(b)]**

### STATUTORY ANNUAL REPORT PROCESS TABLE

No.	Activity	Timeframe
1	Consideration of next financial year's process plan. Except for the legislative content, the process plan will confirm in year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the IDP/Budget implementation period	July
2	Implementation and monitoring of approved budget and IDP comments (In-year financial Reporting)	
3	Finalize the 4 <sup>th</sup> quarter report for previous financial year	
4	Submit Annual Report to Internal Audit and AG	

5	Municipal entity submit Draft annual report to MM	
6	Audit Committee considers Draft annual report of municipality and the entity	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submit Draft Annual Report including consolidated annual financial statements and performance report to the AG	August
9	Annual Report as submitted to AG to be provided as input to the IDP analysis phase	
10	AG audits Annual Report including consolidated AFS and Performance data	September/October
11	Municipality receive and start to address the AGs comments	
12	Mayor tables AR and audited financial statements to council complete with the AGs report	
13	Audited AR is made public and representation is invited	November
14	Oversight committee assess the AR	
15	Council adopts oversight	
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial council	December
18	Commencements of Draft Budget/ IDP finalization for next financial year. Annual Report and oversight report to be used as inputs.	January

### 1.3.5 AUDITOR GENERAL REPORT

In the 2017-2018 the municipality got a qualified audit opinion from the Auditor General. A more detailed report is available in the 2017-2018 Annual Report placed in the municipal website at [www.harrygwalandm.gov.za](http://www.harrygwalandm.gov.za)

## CHAPTER 2 – GOVERNANCE

To ensure accountability and governance arrangements are in place, Section 121 (2)(c) of the MFMA supports the requirements of this Section 18 (1) (d) of the MSA. Information on matters of governance should be communicated to communities. This should, according to Section 65 (1) (a) of the MFMA and of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such Annual Report is to promote accountability to communities for decisions taken by Council and matters relating to administrative structures, throughout a financial year. Nine major characteristics should be applied within the political and administrative structures of a municipality/ municipal entity to ensure good governance.

### *Participation:*

Participation could either be direct or legitimate intermediate institution or representatives.

### *Rule of law:*

Good governance requires legal frameworks that are enforced impartially

### *Transparency:*

Transparency means that stakeholders are provided with information on why decisions were made that directly affects them.

### *Responsiveness:*

Good governance requires that institutions and processes try serve all stakeholders with a responsible time frame.

### *Consensus oriented:*

Governance requires mediation of the different interests in society to reach consensus in society on what is in the interest of the whole community and how this can be achieved.

### *Equity and inclusiveness:*

Society's well-being depends on ensuring that all its members feel that they have a take in and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.

### *Effectiveness and efficiency:*

Good governance means that processes and institutions produce results that meet the needs of a society while making the best use of resources at their disposal.

### *Accountability:*

Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law.

### *Sustainability:*

It is a capacity to endure, how systems remain diverse and productive over time. It is the potential for long term improvements, which in turn also depends on the responsible use of natural resources.

## **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

### **ADMINISTRATIVE GOVERNANCE STRUCTURE**

#### **2.1. POLITICAL GOVERNANCE**

HGDM established and appointed Committees in terms of Section 79 and 80 of the Local Government Municipal Structures Act, No. 117 of 1998. These Committees have been established for the effective and efficient performance of the municipality. The municipality has established the following Committees:

1. Executive Committee;
2. Finance and Corporate Services Committee;
3. Water Services Committee;
4. Infrastructure Services Committee;
5. Social Services and Development Planning Committee;
6. Municipal Public Accounts Committee; and
7. Women's Caucus.

The structure below depicts how the Committees have been established with their Chairpersons and members.

### EXECUTIVE COMMITTEE

Chairperson: Cllr ME Ndobe

Members:

1. Cllr NH Maphasa-Maphasa-Duma-Maphasa-Duma
2. Cllr BP Nzimande
3. Cllr N Mavuka
4. Cllr LG Seja

### Municipal Public Accounts Committee

Chairperson: Cllr SV Zulu

Members:

- Cllr SS Mavuma
- Cllr WB Dlamini
- Cllr S Nkala
- Cllr V Xotongo

### Women's Caucus

Chairperson: Cllr TG Soni

Members:

- Cllr NH Mapasa-Maphasa-Duma
- Cllr TN Jojozi
- Cllr WB Dlamini
- Cllr BC Mncwabe
- Cllr NW Dladla
- Cllr V Xotongo
- Cllr ZC Khumalo
- Cllr ZR Tshazi
- Cllr S Nkala

### Finance & Corporate Services Committee

Chairperson: Cllr ME Ndobe

Members:

- Cllr WB Dlamini
- Cllr S Nkala
- Cllr TC Dlamini
- Cllr SV Zulu
- Cllr V Xotongo
- Cllr S Phakathi

### Water Services Committee

Chairperson: Cllr BP Nzimande

Members:

- Cllr LG Seja
- Cllr SS Mavuma
- Cllr ZC Khumalo
- Cllr VW Zaza
- Cllr ZR Tshazi

### Infrastructure Services Committee

Chairperson: Cllr N Mavuka

Members:

- Cllr NW Dladla
- Cllr SN Madziba
- Cllr BZ Magaqa
- Cllr BL Marncce

### Social Services and Development Planning Committee

Chairperson: Cllr NH Maphasa-Maphasa-Duma-Maphasa-Duma

Members:

- Cllr TG Soni
- Cllr BC Mncwabe
- Cllr PP Shange
- Cllr B Caluza

POLITICAL STRUCTURE	NAMES	FUNCTION
Mayor	Cllr M E Ndobe	Presides at meetings of the executive committee; and Performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by the municipal council or the executive committee
Deputy Mayor	Cllr N H Maphasa-Duma	The Deputy Mayor exercises the powers and performs the duties of the Mayor if the Mayor is absent or not available or if the office of the Mayor is vacant. The Mayor may delegate duties to the Deputy Mayor
Speaker	Cllr TN Jojozi	Presides at meetings of the council Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of Local Government Municipal Systems Act (Act No. 32 of 2000) Must ensure that the council meets at least quarterly Must maintain order during meetings Must ensure compliance in the council and council meetings with the code of conduct

#### **EXECUTIVE COMMITTEE (EXCO)**

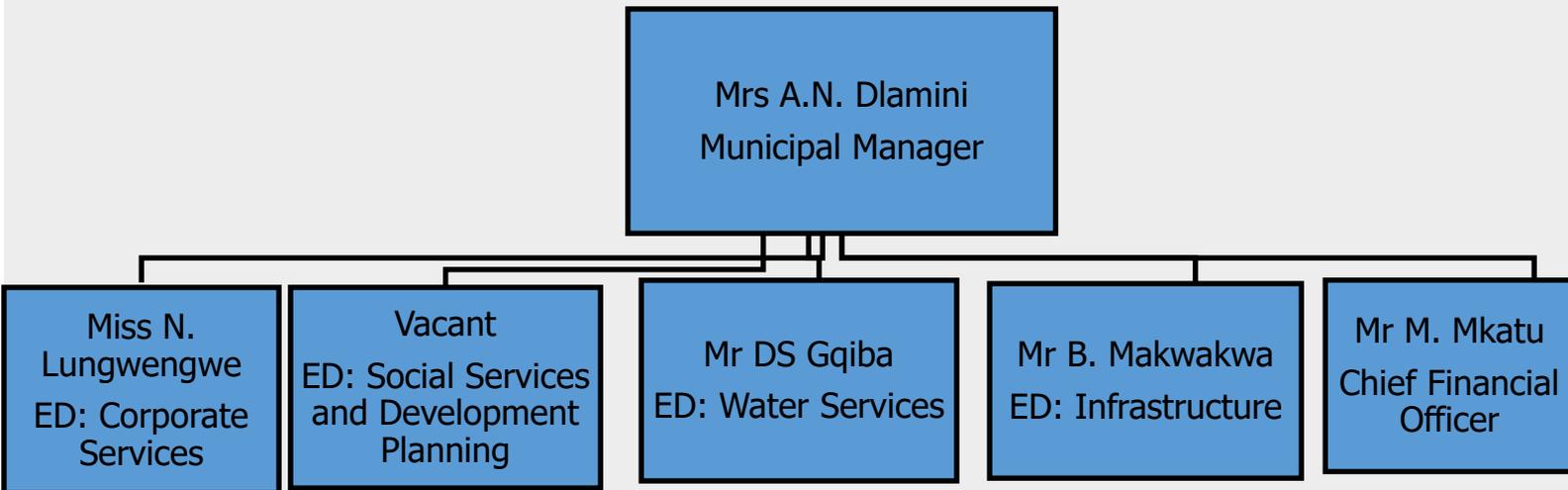
1. Cllr ME Ndobe
2. Cllr NH Maphasa-Duma
3. Cllr BP Nzimande
4. Cllr N Mavuka
5. Cllr LG Seja

## Employee profile in the Office of the Mayor

Employee profile	Status of the position
Director: Strategic Support	Filled
Manager: Communications	Filled
Communications Officer	Filled
Public Relations Officer	Filled
Executive Secretary: Mayor	Vacant
Driver: Mayoral Services	Vacant
HIV/AIDS Co-ordinator	Filled
OSS Co-ordinator	Filled
Protocol Officer	Vacant
Security Officer	Vacant
Secretary: Speaker	Filled
Secretary: Deputy Mayor and EXCO member	Filled
Secretaryx2: EXCO members	Filled
Public Participation Officer	Vacant

### 2.2. HIGH LEVEL ADMINISTRATIVE GOVERNANCE STRUCTURE

Section 82 of the Local Government Municipal Structures Act, No. 117 of 1998 and Section 54A of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states the Municipal Manager must be appointed, who is the head of administration and also the Accounting Officer for the Municipality with relevant skills and expertise to perform the duties associated with the post. Section 56 of the Local Government Municipal Systems Act, No. 32 of 2000, as amended, states that the Municipal Council, after consultation with the Municipal Manager must appoint managers directly accountable to the Municipal Manager. The only position, which is vacant is the position of the Executive Director: Water Services as at 1 January 2018.



#### ADMINISTRATION POLICIES

1. Fleet Management Policy
2. Mayor's, Deputy Mayor's and Speaker's Vehicle policy
3. Records Management Policy
4. PAIA Manual

COUNCIL RESOLUTION REGISTERS FOR 2018/19

RESOLUTION NO. & ITEM TITLE	ACTION/ RESOLUTION	RESPONSIBLE BODY/OFFICIAL	PROGRESS MADE
<p><b>HGC: 383</b>  <b>REPORT ON THE MUNICIPALITY'S EMERGING RISKS</b>  </p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council <b>notes</b> the emerging risk and their inclusion in the risk register.</p> <p>b) That the Risk Management Committee monitored the implementation of the Risk Mitigation Plans.</p>	<p><b>MM</b></p> <p><b>Risk Management Committee</b></p>	<p><b>For noting</b></p> <p><b>Ongoing monitoring implementation of the Risk Mitigation Plans.</b></p>
<p><b>HGE: 384</b>  <b>THIRD QUARTER REPORT ON THE IMPLEMENTATION OF THE ANNUAL INTERNAL AUDIT PLAN FOR 2018/2019 FINANCIAL YEAR</b>  </p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) The 3<sup>rd</sup> quarterly progress report on the implementation of the internal audit plan be noted.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p><b>HGC: 385</b>  <b>REPORT ON THE FINAL FINANCIAL RECOVERY PLAN</b>  </p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Financial Recovery Plan be <b>considered</b> and <b>approved</b>.</p>	<p><b>MM</b></p>	<p><b>Approved</b></p>

<p>HGC: 386</p> <p><b>PROVINCIAL NOTICE 45 OF 2019: IDENTIFICATION OF TRADITIONAL LEADERS WHO MAY PARTICIPATE IN MUNICIPAL COUNCILS</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council <b>notes</b> the report.</p>	<p><b>Council</b></p>	<p><b>For noting</b></p>
<p>HGC: 387</p> <p><b>SALGA MONTHLY CIRCULAR: STANDING ITEM IN COUNCIL MEETINGS – 15 APRIL 2019</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) Council <b>notes</b> the Monthly SALGA Circular report as at the 15<sup>th</sup> of April 2019.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p>HGC: 388</p> <p><b>NOTICE OF DE-RECOGNITION OF IBAMBABUKHOSI NB DLAMINI OF SHIYABANYE TRADITIONAL COUNCIL UNDER UBUHLEBEZWE LOCAL MUNICIPALITY</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the de-recognition of iBambabukhosi NB Dlamini of Shiyabanye Traditional Council under Ubhlebezwe Local Municipality be <b>noted</b>.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p>HGC: 389</p> <p><b>PROGRESS REPORT ON THE FUNCTIONALITY OF OPERATION SUKUMA SAKHE (OSS) STRUCTURES AND WAR ROOMS</b></p> <p>████████████████████</p>	<p>The report was <b>NOTED</b>.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>

<b>CORPORATE SERVICES</b>			
<b>HGC: 390</b> <b>REPORT ON CIRCULAR NO: 01/2019 SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020</b> 	With Councillors WB Dlamini and SN Madziba proposing and seconding respectively, it was;  <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the salary and wage increase for 2019/20 inclusive of all benefits be <b>approved</b>.</p>	<b>HOD CORPORATE SERVICES</b>	<b>To be implemented as from July 2019</b>
<b>SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>			
<b>HGC: 391</b> <b>REPORT ON THE DECLARATION OF LOCAL STATE OF DISASTER DUE TO HEAVY RAINS INCIDENTS OCCURRED WITHIN HARRY GWALA DISTRICT MUNICIPALITY</b> 	With Councillors WB Dlamini and SN Madziba proposing and seconding respectively, it was;  <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the heavy rains disaster that occurred in ward 2, 9 and 6 in Greater Kokstad Local Municipality be <b>noted</b>.</p> <p>b) That the Council notes the declaration of a local state of disaster due to heavy rains approved by Exco, as the HGDM Disaster Management Centre's inability to cope using its resources.</p>	<b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	<b>For noting</b>
<b>HGC: 392</b> <b>PROGRESS REPORT ON SURVEILLANCE OF PREMISES FOR THE MONTH OF APRIL 2019</b>	With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;	<b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	<b>For noting</b>

<p>IN HARRY GWALA DISTRICT MUNICIPALITY.</p> <p>[REDACTED]</p>	<p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>		
<p>HGC: 393</p> <p>REPORT ON THE WATER QUALITY MONITORING FOR THE MONTH OF MARCH AND APRIL 2019</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>
<p>HGC: 394</p> <p>REPORT ON HEALTH AND HYGIENE AWARENESSES CAMPAIGNS FOR APRIL 2019</p> <p>[REDACTED]</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>
<p>HGC: 395</p> <p>REPORT ON THE FOOD POISONING INVESTIGATION IN HIGHFLATS KWATHATHANI LOCATION IN UBUHLEBEZWE LOCAL MUNICIPALITY</p> <p>[REDACTED]</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>
<p>HGC: 396</p> <p>REPORT ON HEAVY RAIN INCIDENTS OCCURRED WITHIN HARRY GWALA DM</p> <p>[REDACTED]</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>

<p><b>HGC: 397</b></p> <p><b>THE 2018-2019 REVISED INTEGRATED DEVELOPMENT PLAN (IDP) ADDENDUM</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the revised IDP for the 2018-2019 financial year be <b>adopted</b> due to adjusted budget that took place during the month of March 2019 as a result of a drought relief grant from National Treasury</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>Adopted</b></p>
<p><b>HGC: 398</b></p> <p><b>2018/2019 REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) ADDENDUM</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the revised SDBIP for the 2018-2019 financial year be <b>adopted</b>, due to the adjusted budget that took place during the month of March 2019 as a result of a drought relief grant from National Treasury.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>Adopted</b></p>
<p><b>HGC: 399</b></p> <p><b>THE 2018/2019 THIRD QUARTER PERFORMANCE REPORT</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>That the implementation of the 2018-2019 Service Delivery and Budget Implementation Plan during the third quarter of this financial year be <b>noted</b>.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>

<p><b>HGC: 400</b></p> <p><b>PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK/POLICY 2019/2020 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>(a) That the Performance Management System Framework /Policy be <b>adopted</b> as a guide to monitor and measure performance of the municipality.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>Adopted</b></p>
<p><b>HGC: 401</b></p> <p><b>DRAFT HARRY GWALA DISTRICT 2019/2020 SPATIAL DEVELOPMENT FRAMEWORK REVIEW</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the 2019/2020 HGDM Spatial Development Framework (SDF) be <b>approved</b> as a guiding document for implementation in the 2019/2020 municipal financial year.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>Approved</b></p>
<p><b>INFRASTRUCTURE SERVICES</b></p>			
<p><b>HGC: 402</b></p> <p><b>REVIEWAL OF OPERATION &amp; MAINTENANCE PLANS FOR EXISTING INFRASTRUCTURE.</b></p> <p>████████████████████</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council <b>adopts</b> the Operation and Maintenance</p>	<p><b>HOD INFRASTRUCTURE SERVICES</b></p>	<p><b>Adopted</b></p>

	Plans as per the review and the plant be used as a guidance for the operation, maintenance and management of the Harry Gwala DM infrastructure.		
<b>SPEAKERS OFFICE</b>			
<b>HGC: 403</b> <b>REVIEWAL OF THE</b> <b>COMPOSITION OF THE</b> <b>MUNICIPAL PUBLIC ACCOUNTS</b> <b>COMMITTEE</b> [REDACTED]	<b>Deferred.</b>		
<b>MUNICIPAL MANAGER</b>			
<b>HGC: 404</b> <b>HIGHLIGHTS OF THE STATE OF</b> <b>THE NATION ADDRESS – 20</b> <b>JUNE 2019</b> [REDACTED]	With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;  <b>RESOLVED</b>  a) That the report be <b>noted</b> .	<b>MM</b>	<b>For noting</b>
<b>HGC: 405</b> <b>THIRD QUARTER STRATEGIC</b> <b>RISK MANAGEMENT REPORT</b> <b>FOR 2018/2019 FINANCIAL</b> <b>YEAR</b> [REDACTED]	With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;  <b>RESOLVED</b>  a) That the report be <b>noted</b> .	<b>MM</b>	<b>For noting</b>
<b>HGC: 406</b> <b>THIRD QUARTER OPERATIONAL</b> <b>RISK MANAGEMENT REPORT</b> <b>FOR 2018/2019 FINANCIAL</b> <b>YEAR</b>	With Councillors Sn Madziba and BC Mncwabe proposing and seconding respectively, it was;  <b>RESOLVED</b>		

<p>[REDACTED]</p>	<p>a) That the report be noted.</p>	<p>MM</p>	<p>For noting</p>
<p>HGC: 407 REVIEWED AUDIT COMMITTEE CHARTER, AND ANNUAL AUDIT COMMITTEE WORKPLAN FOR 2019/2020 FINANCIAL YEAR</p> <p>[REDACTED]</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Audit Committee Charter and Annual Audit Committee Work Plan for 2019/2020 financial year be approved.</p>	<p>MM</p>	<p>Approved</p>
<p>HGC: 408 THIRD QUARTER REPORT ON THE IMPLEMENTATION OF THE ANNUAL INTERNAL AUDIT PLAN FOR 2018/2019 FINANCIAL YEAR</p> <p>[REDACTED]</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the 3<sup>rd</sup> quarterly progress report on the implementation of the internal audit plan be noted.</p>	<p>MM</p>	<p>Approved</p>
<p>HGC: 409 THIRD QUARTER REPORT ON THE IMPLEMENTATION OF THE ANNUAL INTERNAL AUDIT PLAN FOR 2018/2019 FINANCIAL YEAR</p>	<p>It was pointed out by Councillor SN Madziba that the report was duplication of item.</p>		
<p>HGC: 410 REPORT ON SCHEDULE OF KEY DEADLINES MFMA CALANDER (Compliance)</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p>		

<p>[REDACTED]</p>	<p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council <b>notes</b> the report on compliance with the schedule of key deadlines.</p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;"><b>For noting</b></p>
<p><b>HGC: 411</b> <b>REPORT ON THE RISK ASSESSMENT FOR 2019/20</b></p> <p>[REDACTED]</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council <b>notes</b> and approves the risk register for the 2019/2020 financial year.</p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;"><b>For noting</b></p>
<p><b>HGC: 412</b> <b>PROGRESS REPORT ON THE BACK TO BASICS PROGRAM FOR QUARTER 3: 2018/2019 FINANCIAL YEAR</b></p> <p>[REDACTED]</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council <b>notes</b> the report on B2B for Quarter 3 for the 2018/2019 financial year.</p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;"><b>For noting</b></p>
<p><b>HGC: 413</b> <b>PROGRESS REPORT ON THE 2019 NELSON MANDELA DAY, DISTRICT OPERATION MBO AND THE PUBLIC SERVICE VOLUNTEER WEEK</b></p> <p>[REDACTED]</p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;"><b>For noting</b></p>

<p><b>HGC: 414</b></p> <p><b>REPORT ON THE REVIEWED AND AMENDED MUNICIPAL POLICIES</b></p> <p><b>[REDACTED]</b></p>	<p>With Councillors SN Madziba and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the amendments on the following reviewed Municipal Policies be <b>approved</b> and taking note that policies without amendments have been listed as well:</p> <p><b>OFFICE OF THE MUNICIPAL MANAGER</b></p> <p><b>RISK MANAGEMENT</b></p> <ol style="list-style-type: none"> <li>1. Risk Management Strategy</li> <li>2. Risk Management Policy</li> <li>3. Fraud Prevention Strategy</li> <li>4. Fraud Prevention Policy</li> </ol> <p><b>CORPORATE SERVICES</b></p> <p><b>COMMUNICATIONS</b></p> <ol style="list-style-type: none"> <li>1. Communication Strategy</li> <li>2. Communication Policy</li> </ol> <p><b>HUMAN RESOURCE POLICIES</b></p> <ol style="list-style-type: none"> <li>1. Acting in Higher Position Policy</li> <li>2. Attendance and Punctuality Policy</li> <li>3. Annual Leave Policy</li> <li>4. Bursary Policy</li> <li>5. Death in Service Policy</li> <li>6. Disciplinary and Grievance Policy</li> </ol>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;"><b>Approved</b></p>
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	<ul style="list-style-type: none"> <li>7. Dress Code Policy</li> <li>8. Employee Wellness Policy</li> <li>9. Employ Equity policy</li> <li>10. Experiential Training Policy</li> <li>11. Family Responsibility Leave Policy</li> <li>12. HIV/AIDS Policy</li> <li>13. Induction Policy</li> <li>14. Incapacity due to ill-health or injury</li> <li>15. Incapacity due to poor performance</li> <li>16. Injury on Duty Policy</li> <li>17. Integrated Employee Health and Wellness Strategy</li> <li>18. Internal Transfer Policy</li> <li>19. Learnership Policy</li> <li>20. Mentorship and Coaching Policy</li> <li>21. Occupational Health and Safety Policy</li> <li>22. Overtime Policy</li> <li>23. Parental Leave Policy</li> <li>24. Probationary Period Policy</li> <li>25. Private Work and Declaration of Interest/s Policy</li> <li>26. Recruitment and Selection Policy</li> <li>27. Scarce and Critical Skills Retention Policy</li> <li>28. Sexual Harassment Policy</li> <li>29. Sick Leave Policy</li> <li>30. Skills Development Policy</li> <li>31. Smoking Policy</li> <li>32. Staff Appointment Policy</li> <li>33. Standby Policy</li> <li>34. Study Leave Policy</li> </ul>		
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	<p>35. Subsidized Motor Vehicle Policy</p> <p>36. Termination of Service Policy</p> <p>37. Travel and Subsistence Policy</p> <p>38. TASK Job Evaluation Policy</p> <p>39. Human Resource Strategy and plan</p> <p><b>ADMINISTRATION POLICIES</b></p> <p>5. Fleet Management Policy</p> <p>6. Mayor's, Deputy Mayor's and Speaker's Vehicle policy</p> <p>7. Records Management Policy</p> <p>8. PAIA Manual</p> <p>9. Information Systems and Security (ISS) Policy</p> <p>10. Backup Plan</p> <p>11. Master Systems Plan</p> <p>12. User Access Management / Logical Access Management Policy</p> <p>13. Firewall Policy</p> <p>14. Disaster Recovery Plan</p> <p>15. Business Continuity Plan</p> <p>16. Change Management Policy and Procedure</p> <p>17. ICT Governance Framework</p> <p>18. Server Room Maintenance Plan</p> <p>19. ICT Risk Management Framework</p> <p>20. Information Tech Scorecards</p>		
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	<p>21. Information Technology RACI Matrix</p> <p><b>SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p> <p><b>IDP &amp; PMS</b></p> <p>1. Performance Management Policy Framework</p> <p><b>ENVIRONMENTAL HEALTH</b></p> <p>1. Municipal Health Services Tariffs</p> <p>2. Health and hygiene Education Strategy</p> <p>3. Pauper /Destitute Burial Policy</p> <p><b>GIS</b></p> <p>1. GIS Policy</p> <p><b>DISASTER MANAGEMENT</b></p> <p>1. Disaster Management Disaster Support Policy</p>		
<p><b>FINANCIAL SERVICES</b></p>			
<p><b>HGC: 415</b></p> <p><b>REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 MAY 2019</b></p> <p></p>	<p>With Councillors ZC Khumalo and WB Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>CFO</b></p>	<p><b>For noting</b></p>

<p><b>HGC: 416</b></p> <p><b>MONTHLY REPORT ON SUPPLY CHAIN MANAGEMENT – MAY 2019</b></p> <p>[REDACTED]</p>	<p>With Councillors ZC Khumalo and WB Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p> <p>b) That the extension of scope for Mahlubi Plant Hire to cover the community of KwaDayi be <b>approved</b>.</p>	<p><b>CFO</b></p>	<p><b>For noting</b></p> <p><b>Approved</b></p>
<p><b>HGC: 417</b></p> <p><b>REPORT ON REVENUE MANAGEMENT</b></p> <p>[REDACTED]</p>	<p>With Councillors ZC Khumalo and WB Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>CFO</b></p>	<p><b>For noting</b></p>
<p><b>HGC: 418</b></p> <p><b>REPORT ON ASSET MANAGEMENT</b></p> <p>[REDACTED]</p>	<p>With Councillors ZC Khumalo and WB Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p>	<p><b>CFO</b></p>	<p><b>For noting</b></p>
<p><b>CORPORATE SERVICES</b></p>			
<p><b>HGC: 419</b></p> <p><b>DRAFT ORGANIZATIONAL STRUCTURE 2019/20</b></p> <p>[REDACTED]</p>	<p>With Councillors ZC Khumalo and WB Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p>	<p><b>HOD CORPORATE SERVICES</b></p>	<p><b>Approved</b></p>

	<p>a) That the organizational structure for 2019/20 financial year be <b>approved</b>.</p> <p>b) That Public Participation Manager position, be budgeted for during the adjustments budget for 2019/20 financial year.</p>		
<b>SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>			
<p><b>HGC: 420</b></p> <p><b>2019/20 HARRY GWALA DISTRICT MUNICIPALITY (HGDM) AND HARRY GWALA DEVELOPMENT AGENCY (HGDA) SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP) AND PERFORMANCE AGREEMENTS FOR 2019/20</b></p> <p><b>[REDACTED]</b></p>	<p>With Councillors TG Soni and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council <b>notes</b> the 2019/20 Harry Gwala District Municipality's Service Delivery Budget and Implementation Plan (SDBIP).</p> <p>b) That the Council <b>notes</b> the 2019/20 Harry Gwala District Development Agency's (SDBIP).</p> <p>c) That the Council <b>notes</b> the Performance Agreements for 2019/20 financial year before they are signed by the Municipal Manager and Managers reporting directly to the Municipal Manager and made public as per the relevant legislation.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p><b>For noting</b></p>

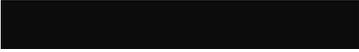
<p><b>IN-COMMITTEE</b></p> <p><b>HGC: 421</b></p> <p><b>ACTING APPOINTMENT IN THE POSITION OF EXECUTIVE DIRECTOR: SOCIAL SERVICES &amp; DEVELOPMENT PLANNING</b></p> <p><b>[REDACTED]</b></p>	<p>With Councillors N Mavuka and SN Madziba proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council <b>appoints</b> Miss T Mahlaba (Director: Social Services) to act in the position of the Executive Director: Social Services and Development Planning for a period not exceeding three (3) months. If after three (3) months Council has not completed the recruitment and selection processes to appoint the Executive Director: Social Services and Development Planning, the Council will then have to resolve to extend the acting appointment and also request the MEC: COGTA to approve the extension of the acting appointment.</p>	<p><b>MM</b></p>	<p><b>Implemented</b></p>
<p><b>RESOLUTION NO. &amp; ITEM TITLE</b></p>	<p><b>ACTION/ RESOLUTION</b></p>	<p><b>RESPONSIBLE BODY/OFFICIAL</b></p>	<p><b>PROGRESS MADE</b></p>
<p><b>5. DEPUTATIONS</b></p> <p><b>6.1 PRESENTATION BY THE AUDIT COMMITTEE</b></p>	<p>The report on the deliberations and recommendations of the Audit Committee was noted.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p><b>HGC: 375</b></p> <p><b>REPORT ON THE RESIGNATION OF THE MAYOR, COUNCILLOR ME NDOBE AND EXECUTIVE</b></p>	<p>With Councillor TC Dlamini proposing and Councillor TG Soni seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p>	<p><b>MM</b></p>	<p><b>The vacancies have been declared with IEC</b></p>

<p><b>COMMITTEE MEMBER, COUNCILLORS LG SEJA AND DECLARATION OF VACANCIES</b></p> <p>[REDACTED]</p>	<p>a) That the Council notes the vacancies which arose subsequent to the resignation of the Mayor Councillor ME Ndobe and the Executive Committee member, Councillor LG Seja.</p> <p>b) That the Municipal Manager declares a vacancy with IEC.</p> <p>c) That the Deputy Mayor Councillor NH Maphasa-Duma acts in the position of Mayor.</p> <p>d) That the Deputy Mayor Councillor NH Maphasa-Duma chairs all committees and other structures that were chaired by the former Mayor.</p>		<p><b>Implemented</b></p>
<p><b>HGC: 354 REPORT ON 2019/20 MEDIUM TERM FINAL BUDGET</b></p> <p>[REDACTED]</p>	<p>With Councillor TC Dlamini proposing and Councillor TG Soni seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>That the Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:</p> <p>1.1. The final draft budget of the municipality for the financial year 2019/20 and the multi-year capital appropriations as set out in the following tables:</p> <p>1.1.1. Budgeted Financial Performance (revenue and expenditure by standard</p>	<p><b>MM</b></p>	<p><b>Approved</b></p>

	<p>classification) as contained in Table 18;</p> <p>1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19;</p> <p>1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and</p> <p>1.1.4. Multi-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.</p> <p>1.1.5. Noting the budget of the Harry Gwala Development Agency (Municipal entity) as presented in supporting table 31.</p> <p>1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:</p> <p>1.2.1. Budgeted Financial Position as contained in Table A6;</p> <p>1.2.2. Budgeted Cash Flows as contained in Table A7;</p>		
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	<p>1.2.3. Cash backed reserves and accumulated surplus as contained in Table A8;</p> <p>1.2.4. Asset management as contained in Table A9; and</p> <p>1.2.5. Basic service delivery measurement as contained in Table A10.</p> <p>2. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2019:</p> <p>2.1. The tariffs for the supply of water- Refer to the tariffs policy in Annexure B</p> <p>2.2. The tariffs for sanitation services – refer to the tariffs policy in Annexure B</p> <p>3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2019 the tariffs for other services, as set out in tariffs policy.</p> <p>4. The council, acting in terms of section 24 of the Municipal Finance Management Act , approves and adopts with effect from 1 July 2019 the final draft budget related policies as listed above.</p> <p>5. To give proper effect to the municipality’s annual budget, the Council approves:</p>		
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	<p>5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.</p> <p>5.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.</p>		
<p><b>HGC: 355</b></p> <p><b>REPORT ON RESCINDING OF THE RESOLUTION ON TRANSFER OF ASSETS TO UMGUNGUNDLOVU DISTRICT MUNICIPALITY TO A TRANSFER TO MSUNDUZI LOCAL MUNICIPALITY</b></p> <p></p>	<p>With Councillor WB Dlamini proposing and Councillor ZC Khumalo seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council rescinds the resolution on transfer of assets to Umgungundlovu District Municipality and take a resolution to transfer Ncwadi water scheme to Msunduzi Local Municipality.</p> <p>b) That Council authorizes the Accounting Officer to sign a transfer agreement entered into with Msunduzi Local Municipality.</p>	<p><b>MM</b></p>	<p><b>Implemented</b></p>

<p><b>HGC: 356</b>  <b>REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 30 APRIL 2019</b>  </p>	<p>With Councillor SS Mavuma proposing and Councillor ZC Khumalo seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council notes the report.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p><b>HGC: 357</b>  <b>MONTHLY REPORT ON SUPPLY CHAIN MANAGEMENT</b>  </p>	<p>With Councillor SS Mavuma proposing and Councillor ZC Khumalo seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be noted.</p>	<p><b>MM</b></p>	<p><b>For noting</b></p>
<p><b>HGC: 358</b>  <b>REPORT ON REVENUE MANAGEMENT</b>  </p>	<p>With Councillor ZR Tshazi proposing and Councillor ZC Khumalo seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be noted.</p>		<p><b>For noting</b></p>
<p><b>HGC: 369</b>  <b>THE 2019-2020 FINAL INTEGRATED DEVELOPMENT PLAN (IDP)</b>  </p>	<p>With Councillor SS Mavuma proposing and Councillor TG Soni seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council <b>adopts</b> the 2019-2020 Integrated Development Plan as a single inclusive strategic document of Harry Gwala District Municipality.</p>	<p><b>MM</b></p>	<p><b>Adopted</b></p>
<p><b>HGC: 376</b>  <b>REPORT ON EXTENSION OF THE HARRY GWALA DEVELOPMENT</b></p>	<p>With Councillor TC Dlamini proposing and Councillor ZR Tshazi seconding, it was;</p>	<p><b>HGDA</b></p>	<p><b>Approved Implemented</b></p>

<p><b>AGENCY ACTING CHIEF EXECUTIVE OFFICER POSITION</b> [REDACTED]</p>	<p><b>RESOLVED</b></p> <p>a) That the extension of the Acting Chief Executive Officer contract be approved.</p>		
<p><b>HGC: 377</b> <b>REPORT ON 2018/19 2<sup>ND</sup> ADJUSTMENTS BUDGET TO COUNCIL</b> [REDACTED]</p>	<p>With Councillor SN Madziba proposing and Councillor WB Dlamini seconding, it was;</p> <p><b>RESOLVED</b></p> <p>a) That the 2<sup>nd</sup> adjustments budget and consolidated adjustments budget for the financial year 2018/2019, as set-out in the schedules contained in Section 4 be approved</p> <p>b) That any adjustments permitted in terms of Section 28 (2) of the Act be approved,</p> <p>c) That the revisions to the monthly and quarterly service delivery targets be approved and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget.</p>	<p><b>MM</b></p>	<p><b>Approved</b></p>
<p><b>RESOLUTION NO. &amp; ITEM TITLE</b></p>	<p><b>ACTION/ RESOLUTION</b></p>	<p><b>RESPONSIBLE BODY/OFFICIAL</b></p>	<p><b>PROGRESS MADE</b></p>
<p><b>HGC: 324</b> <b>REPORT ON FRUITLESS AND WASTEFUL EXPENDITURE</b> [REDACTED]</p>	<p>With Councillor ZS Nyide proposing and Councillor SN Madziba seconding it was,</p> <p><b>RESOLVED:</b></p>		

	<p>a) That the item on fruitless and wasteful expenditure be referred to MPAC for investigation.</p> <p>b) That a report back be presented by MPAC to Council on fruitless and wasteful expenditure.</p>	<b>MPAC</b>	To be tabled in the next MPAC meeting
<p><b>HGC: 325</b> <b>REPORT ON IRREGULAR EXPENDITURE 2018/19</b> [REDACTED]</p>	<p>With Councillor ZS Nyide proposing and Councillor SN Madziba seconding it was</p> <p><b>RESOLVED:</b></p> <p>a) That the irregular expenditure 2018/19 be referred to MPAC for investigation.</p> <p>b) That the report back be presented by MPAC to Council on irregular expenditure 2018/19.</p>	<b>MPAC</b>	To be tabled in the next MPAC meeting
<p><b>HGC: 326</b> <b>REPORT ON SUPPLY CHAIN MANAGEMENT</b> [REDACTED]</p>	<p>With Councillor SN Madziba proposing and Councillor ZS Nyide seconding it was</p> <p><b>RESOLVED:</b></p> <p>a) That the Council <b>NOTES</b> the report.</p> <p>b) That the Council <b>APPROVES</b> the deviations for Utility System.</p>	<b>CFO</b>	APPROVED
<p><b>HGC: 327</b> <b>REPORT ON UNAUTHORIZED EXPENDITURE FOR 2017/18 FINANCIAL YEAR</b> [REDACTED]</p>	<p>With Councillors ZS Nyide and SN Madziba proposing and seconding respectively it was</p> <p><b>RESOLVED:</b></p>	<b>MPAC</b>	To be tabled in the next MPAC meeting

	<p>a) That the Council <b>NOTES</b> the report.</p> <p>b) That the unauthorized expenditure for 2017/2018 be referred to MPAC for investigation.</p>		
<p><b>HGC: 328</b></p> <p><b>REPORT ON REVENUE MANAGEMENT</b></p> <p></p>	<p>With Councillors ZS Nyide and SN Madziba proposing and seconding respectively it was,</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council <b>APPROVES</b> the write off of prescribed debt i.e. outstanding debt older than three years.</p> <p>b) That the Council <b>APPROVES</b> the write off and the removal from the system of all inactive accounts.</p> <p>c) That the Council <b>APPROVES</b> the write off of accounts of deceased customers reflecting as account holders as they were identified during consumer data cleansing.</p> <p>d) That the Council grants the Accounting Officer permission to <b>APPROVE</b> the write off of interest or offer of discount on settlement of the outstanding debt should there be consumers willing to settle their accounts.</p>	<b>CFO</b>	<p>APPROVED</p> <p>Implemented</p>
<b>HGC: 329</b>	With Councillor ZS Nyide proposing and Councillor SN Madziba seconding it was	<b>CFO</b>	FOR NOTING

<p><b>REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 JANUARY 2019</b></p> <p>████████████████████</p>	<p><b>RESOLVED:</b></p> <p>a) That the report be <b>NOTED.</b></p>		
<p><b>HGC: 330</b></p> <p><b>2018/2019 REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN</b></p> <p>████████████████████</p>	<p>With Councillors TC Dlamini and BC Mncwabe proposing and seconding respectively it was</p> <p><b>RESOLVED:</b></p> <p>a) That the adjustments effected in the Service Delivery and Budget Implementation Plan for the last half of the 2018/2019 financial year be <b>NOTED.</b></p>	<p><b>HOD: SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 331</b></p> <p><b>HARRY GWALA DISTRICT GROWTH AND DEVELOPMENT PLAN</b></p> <p>████████████████████</p>	<p>With Councillor TC Dlamini proposing and Councillor BC Mncwabe seconding it was</p> <p><b>RESOLVED:</b></p> <p>a) That the draft revised Harry Gwala District Growth and Development Plan be <b>APPROVED.</b></p>	<p><b>HOD: SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 332</b></p> <p><b>SALGA MONTHLY CIRCULAR: STANDING ITEM IN COUNCIL MEETINGS – 01 MARCH 2019</b></p> <p>████████████████████</p>	<p>With Councillor ZR Tshazi proposing and Councillor NW Dladla seconding it was</p> <p><b>RESOLVED:</b></p> <p>a) That the Monthly SALGA Circular report as at 1 March 2019 be <b>NOTED.</b></p>	<p><b>MM</b></p>	<p>FOR NOTING</p>

<p><b>HGC: 333</b></p> <p><b>PROGRESS REPORT ON THE BACK TO BASICS PROGRAM FOR QUARTER 1 AND 2: 2018/2019 FINANCIAL YEAR</b></p>	<p>With Councillors ZR Tshazi and NW Dladla proposing and seconding respectively it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report on B2B for Quarter 1 and Quarter 2 for the 2018/2019 financial year be <b>NOTED.</b></p>	<p><b>MM</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 334</b></p> <p><b>REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 28 FEBRUARY 2019</b></p> <p>████████████████████</p>	<p>With Councillor SN Madziba proposing and Councillor ZS Nyide seconding it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report be <b>NOTED.</b></p>	<p><b>CFO</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 335</b></p> <p><b>MONTHLY REPORT ON SUPPLY CHAIN MANAGEMENT</b></p> <p>████████████████████</p>	<p>With Councillor ZC Khumalo proposing and Councillor BC Mncwabe seconding it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council <b>NOTES</b> the report.</p>	<p><b>CFO</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 336</b></p> <p><b>REPORT ON REVENUE MANAGEMENT</b></p>	<p>With SN Madziba proposing and Councillor ZS Nyide seconding it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council <b>NOTED</b> the report.</p>	<p><b>CFO</b></p>	<p>FOR NOTING</p>
<p><b>HGC: 337</b></p> <p><b>REPORT ON THE 2019/20 DRAFT BUDGET</b></p> <p>████████████████████</p>	<p>With Councillors BC Mncwabe and ZC Khumalo proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED THAT:</b></p> <p>1. The Council, acting in terms of section 24 of the Municipal Finance</p>	<p><b>CFO</b></p>	<p>APPROVED</p>

Management Act, (Act 56 of 2003)

**NOTED:**

1.1. The draft budget of the municipality for the financial year 2019/20 and the multi-year capital appropriations as set out in the following tables:

1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18;

1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19;

1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and

1.1.4. Multi-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

1.1.5. Consolidated budget schedules A1 to A10.

1.1.6 Noting the budget of the Harry Gwala Development Agency (Municipal Entity) as

	<p>presented in Supporting in Table 31.</p> <p>1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets were <b>APPROVED</b> as set out in the following tables:</p> <p>1.2.1. Budgeted Financial Position as contained in Table A6;</p> <p>1.2.2. Budgeted Cash Flows as contained in Table A7;</p> <p>1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;</p> <p>1.2.4. Asset management as contained in Table A9; and</p> <p>1.2.5. Basic service delivery measurement as contained in Table A10.</p> <p>2. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) <b>APPROVED</b> and <b>ADOPTED</b> with effect from 1 July 2019:</p> <p>2.1. The tariffs for the supply of water – Refer to the tariffs policy in Annexure B</p>		
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	<p>2.2. The tariffs for sanitation services – refer to the tariffs policy in Annexure B</p> <p>3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) <b>APPROVED</b> and <b>ADOPTED</b> with effect from 1 July 2019 the tariffs for other services, as set out in tariffs policy.</p> <p>4. The council, acting in terms of section 24 of the Municipal Finance Management Act, <b>NOTED</b> with effect from 29 March 2019 the draft budget related policies as discussed above.</p> <p>5. To give proper effect to the municipality’s annual budget, the Council <b>NOTED</b>:</p> <p>5.1. That cash backing was implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants were cash backed as required in terms of the municipality’s funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.</p> <p>5.2. That the Municipal Manager be <b>AUTHORISED</b> to sign all necessary agreements and</p>		
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	documents to give effect to the budget.		
<b>HGC: 338</b> <b>2019-2020 DRAFT INTEGRATED DEVELOPMENT PLAN (IDP)</b> 	With Councillor NW Dladla proposing and Councillor TG Soni seconding it was  <b>RESOLVED:</b>  a) The progress made in the review of the 2019/2020 Integrated Development Plan <b>NOTED</b> .	<b>HOD: SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	FOR NOTING
<b>HGC: 339</b> <b>OVERSIGHT REPORT ON ANNUAL REPORT FOR THE 2017/2018 FINANCIAL YEAR</b> 	With Councillor NW Dladla proposing and Councillor TG Soni seconding it was  <b>RESOLVED:</b>  a) That Council having fully considered the Annual Report of the Harry Gwala District Municipality for the 2017/18 Financial Year, <b>ADOPTS</b> the Oversight Report for the 2017/2018 Financial Year.  b) That the 2017/2018 Annual Report for the Harry Gwala District Municipality was approved by Council in a Council meeting held in January 2019 be <b>NOTED</b> .  c) That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.  d) That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal	<b>HOD: SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	ADOPTED  FOR NOTING  Oversight report was published on the 05 <sup>th</sup> of April 2019 In the East Griqualand Fever

	Finance Management Act 56 of 2003.		
<b>HGC: 340</b> <b>PROGRESS REPORT ON EXPANDED PUBLIC WORKS PROGRAM</b> 	<p>With Councillor SN Madziba proposing and Councillor TG Soni seconding it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report be <b>NOTED</b>.</p>	<b>HOD: INFRASTRUCTURE SERVICES</b>	FOR NOTING
<b>HGC: 341</b> <b>REPORT ON THE ESTABLISHMENT OF A WOMEN CAUCUS IN COUNCIL</b> 	<p>With Councillors TC Dlamini and BC Mncwabe proposing and seconding respectively it was</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That Council <b>NOTES</b> the resubmission of the report on the establishment of the Women Caucus.</p> <p>b) That Council <b>APPROVED</b> the establishment of the Women's Caucus retrospectively from 29 March 2018 (being the date when Council resolved on the establishment of the Women's Caucus).</p> <p>c) That Council <b>APPOINTED</b> Councillor TG Soni as the Chairperson of the Women's Caucus retrospectively from 29 March 2018 (being the date when Council resolved on the appointment of the Chairperson).</p> <p>d) That Council <b>RESOLVED</b> to remunerate Councillor TG Soni as</p>	<b>MM</b>	<p>FOR NOTING</p> <p>APPROVED</p> <p>Implemented in April 2019</p>

	from the date of appointment which is 01 April 2018.	<b>CFO</b>	
<b>HGC: 342</b> <b>REVIEWAL OF THE</b> <b>COMPOSITION OF THE</b> <b>MUNICIPAL PUBLIC ACCOUNTS</b> <b>COMMITTEE</b> 	The item was <b>DEFERRED</b> to the next Council meeting.	<b>SPEAKER</b>	DEFERRED TO NEXT MEETING
<b>RESOLUTION NO. &amp; ITEM TITLE</b>	<b>RESOLUTION</b>	<b>RESPONSIBLE BODY/OFFICIAL</b>	<b>PROGRESS MADE</b>
<b>HGC: 324</b> <b>REPORT ON 2018/2019</b> <b>ADJUSTMENTS BUDGET TO</b> <b>COUNCIL FOR ADOPTION</b> 	With Councillors BC Mncwabe and TG Soni proposing and seconding respectively, it was;  <b>RESOLVED:</b>  a) That Council hereby <b>APPROVES</b> the adjustments budget and consolidated adjustments budget for the financial year 2018/2019, as set-out in the schedules contained in Section 4,  b) That Council hereby <b>APPROVES</b> any adjustments permitted in terms of Section 28 (2) of the Act,  c) That Council hereby <b>APPROVES</b> the revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to	<b>CFO</b>	Completed

	<p>correspond with the approval of the adjustments budget.</p> <p>d) That Council hereby <b>NOTES</b> the Provincial Treasury comments and their effect on the Adjustments budget.</p>		
<b>RESOLUTION NO. &amp; ITEM TITLE</b>	<b>ACTION/ RESOLUTION</b>	<b>RESPONSIBLE BODY/OFFICIAL</b>	<b>PROGRESS MADE</b>
<p><b>HGC: 312</b></p> <p><b>REPORT ON DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS 2018/2019</b></p> <p></p>	<p>With Councillors TG Soni and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That Council <b>NOTES</b> the report.</p> <p>b) That Council notes that the municipal council must obtain concurrence of the MEC for local government prior to the implementation of the provisions of the Notice.</p> <p>c) That Council adopts the Gazette as promulgated.</p> <p>d) That Council accepted the 100% of the increase of 4% for all councillors per the gazette retrospectively from 01 July 2018.</p> <p>e) That a sitting allowance not exceeding R1 060.80 to an appointed councillor be accepted retrospectively from 01 July 2018.</p> <p>f) That the application of upper limit of cell phone allowance for councillors not exceeding R3 400 be accepted retrospectively from 01 July 2018.</p>	<b>MM</b>	<b>IMPLEMENTED</b>

	<p>g) That the implementation of the Government Notice 42134 in all other upper limits be <b>APPROVED</b>.</p>		
<p><b>HGC: 313</b>  <b>REPORT ON UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO SENIOR MANAGERS</b>  </p>	<p>With Councillors BC Mncwabe and SV Zulu proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council approves the salary increases of Senior Managers as gazetted in the Upper Limits of Total Remuneration Packages payable to Municipal Managers and Managers directly accountable to Municipal Managers, Government Gazette No. 42023 dated 8 November 2018.</p> <p>b) That the Senior Managers be paid a remote allowance of 4 % as indicated in the Government Gazette.</p> <p>c) That the remuneration packages of Senior Managers be paid retrospectively (from 1 July 2018).</p>	<b>MM</b>	<b>IMPLEMENTED</b>
<p><b>HGC: 314</b>  <b>NOTICE OF DE-RECOGNITION OF IBAMBABUKHOSI N.M. MSINGAPHANTSI OF ZWELETHU TRIBAL AUTHORITY UNDER UMZIMKHULU LOCAL MUNICIPALITY</b>  </p>	<p>With Councillors SS Mavuma and SN Madziba proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council notes de-recognition of iBambabukhosi N.M. Msingaphantsi of Zwelethu Tribal Authority, and</p>	<b>MM</b>	<b>FOR NOTING</b>

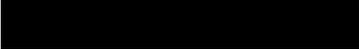
	<p>recognize Inkosi Nkosiyezwe Prince Msingaphantsi as Inkosi of Zwelethu Tribal Authority under the Umzimkhulu local municipality.</p>		
<p><b>HGC: 315</b> <b>PROGRESS ON IMPLEMENTATION OF COUNCIL RESOLUTIONS - QUARTER 2 (05 DECEMBER 2018)</b> [REDACTED]</p>	<p>With Councillors WB Dlamini and BC Mncwabe proposing and seconding respectively, it was;</p> <p><b>RESOLVED:</b></p> <p>a) That Council notes the progress made against the implementation of Council resolutions for Quarter 2 of 2018/19 (05 December 2018).</p>	<b>MM</b>	<b>FOR NOTING</b>
<p><b>HGC: 316</b> <b>REPORT ON S71 OF THE MFMA FOR THE PERIOD ENDING 31 DECEMBER 2018</b> [REDACTED]</p>	<p>With Councillors TG Soni and ZR Tshazi proposing and seconding respectively, it was;</p> <p><b>RESOLVED:</b></p> <p>a) That the Council notes the monthly budget statement and any other supporting documentation.</p> <p>b) That the Council notes the quarterly report on the implementation of the budget in terms of s52 (d) MFMA.</p> <p>c) That the Council notes the Mid-year Budget &amp; Performance</p>	<b>CFO</b>	<b>FOR NOTING</b>

	<p>assessment in terms of s72 of the MFMA.</p> <p>d) That the Council notes the Midyear budget &amp; performance assessment report for the Harry Gwala Development Agency.</p> <p>e) That the Council prepares the Adjustments Budget for tabling to Council before the 28<sup>th</sup> February 2019 in terms of Municipal Budget Regulations.</p> <p>f) That the Council revises the projections for Revenue &amp; Expenditure in the SDBIP to reflect the adjustments to the Annual Budget.</p>		
<p><b>HGC: 317</b>  <b>MONTHLY REPORT ON SUPPLY CHAIN MANAGEMENT (DECEMBER 2018)</b>  </p>	<p>With Councillors TG Soni and ZR Tshazi proposing and seconding respectively, it was;</p> <p><b>RESOLVED:</b></p> <p>a) That the Council notes the report.</p> <p>b) That the Council approves the deviations for Fynn's Construction, Mahlubi Plant Hire, and Judy Magwaza Trading Enterprise.</p>	<p><b>CFO</b></p>	<p><b>FOR NOTING</b></p>

<p><b>HGC: 318</b> <b>ASSET MANAGEMENT</b> [REDACTED]</p>	<p>With Councillors ZC Khumalo and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council notes the report.</p>	<p><b>CFO</b></p>	<p><b>FOR NOTING</b></p>
<p><b>HGC: 319</b> <b>QUARTERLY REPORT ON SUPPLY CHAIN MANAGEMENT</b> [REDACTED]</p>	<p>With Councillors ZC Khumalo and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council notes the report.</p>	<p><b>CFO</b></p>	<p><b>FOR NOTING</b></p>
<p><b>HGC: 320</b> <b>2018-2019 HARRY GWALA DISTRICT MUNICIPALITY AND HARRY GWALA DEVELOPMENT AGENCY MID-YEAR QUARTERLY PERFORMANCE AND ASSESSMENT REPORT</b> [REDACTED]</p>	<p>With Councillors BC Mncwabe and SN Madziba proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Council approves the adjustments of performance targets in the 2018/2019 Service Delivery and Budget Implementation Plan as per the performance assessment attached below.</p>	<p><b>MM</b></p>	<p><b>APPROVED</b></p>
<p><b>HGC: 321</b> <b>HARRY GWALA DISTRICT MUNICIPALITY (HGDM) AND (HARRY GWALA DEVELOPMENT AGENCY) ANNUAL REPORT FOR</b></p>	<p>With Councillor SN Madziba proposing and Councillor BC Mncwabe seconding, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p>	<p><b>MM</b></p>	<p><b>ADOPTED</b></p>

<p><b>THE 2017/2018 FINANCIAL YEAR</b></p> <p>[REDACTED]</p>	<p>a) That the 2017-2018 Annual Report be <b>APPROVED</b> and that the Municipal Public Accounts Committee (MPAC) <b>PREPARES</b> an oversight report on the Annual Report for adoption before the end of March 2019.</p>	<p><b>MPAC</b></p>	
<p><b>HGC: 322</b></p> <p><b>REQUEST TO EXTEND THE TERM OF OFFICE FOR THE BOARD MEMBERS OF HARRY GWALA DEVELOPMENT AGENCY</b></p> <p>[REDACTED]</p>	<p>The Mayor requested that the advertisement of the positions of the board members be advertised timeously to avoid delays in appointments.</p> <p>With Councillors WB Dlamini and SN Madziba proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the term of office for the three Board Members (Dr IB Mkhize – Chairperson, Mr VIV Made and Mr PZ Duma) be <b>EXTENDED</b> by 3 months effective from the 1<sup>st</sup> of April 2019 to the 30<sup>th</sup> of June 2019.</p> <p>b) That the recruitment process for the appointment of board members should commence with immediate effect.</p>	<p><b>MM</b></p>	<p><b>IMPLEMENTED</b></p> <p><b>ADVERTS CLOSED</b></p>
<p><b>HGC: 323</b></p> <p><b>REQUEST FOR SECONDMENT IN THE POSITION OF THE CHIEF</b></p>	<p>With Councillors SN Madziba and SS Mavuma proposing and seconding respectively, it was;</p>		

<p><b>EXECUTIVE OFFICER OF THE HARRY GWALA DEVELOPMENT AGENCY EFFECTIVE FROM 1 FEBRUARY 2019</b></p> <p>████████████████████</p>	<p><b>RESOLVED:</b></p> <p>a) That Ms. Nokubonga James be seconded to act in the position of Chief Executive Officer (CEO) of the Harry Gwala development Agency for a period of three (3) months with effect from the 1<sup>st</sup> of February 2019 to 30<sup>th</sup> of April 2019.</p>	<p><b>MM</b></p>	<p><b>IMPLEMENTED</b></p>
<p><b>RESOLUTION NO. &amp; ITEM TITLE</b></p>	<p><b>ACTION/ RESOLUTION</b></p>	<p><b>RESPONSIBLE BODY/OFFICIAL</b></p>	<p><b>PROGRESS MADE</b></p>
<p><b>HGC: 283</b></p> <p><b>DECLARATION OF COUNCIL RECESS AND THE ESTABLISHMENT OF AN EMERGENCY COMMITTEE DURING RECESS</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p> <p><b>RESOLVED</b></p> <p>a) That Council declares recess from the 10<sup>th</sup> of December 2018 to the 11<sup>th</sup> of January 2019.</p> <p>b) That an Emergency Committee comprising of the Executive Committee, Senior Management, the Chief Whip and the Speaker be established to deal with emergencies during the recess period.</p>	<p><b>Council</b></p>	<p>The Council Recess was declared</p> <p>An Emergency Committee was formulated</p>
<p><b>HGC: 284</b></p> <p><b>REPORT ON THE ASSESSMENT OF THE HARRY GWALA DISTRICT MUNICIPALITY 2018/2019 INTEGRATED DEVELOPMENT PLAN</b></p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p> <p><b>RESOLVED</b></p>	<p><b>MM</b></p>	<p>For noting</p>

	<p>a) That the report and recommendations made by COGTA be <b>NOTED</b>.</p>		
<p><b>HGC: 285</b>  <b>FIRST QUARTER OPERATIONAL RISK MANAGEMENT REPORT FOR 2018/2019 FINANCIAL YEAR</b></p> 	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report on the implementation of the Operational Risk Register be <b>NOTED</b>.</p>	<b>MM</b>	For noting
<p><b>HGC: 286</b>  <b>FIRST QUARTER STRATEGIC RISKS MANAGEMENT REPORT FOR 2018/2019 FINANCIAL YEAR</b></p> 	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the progress made in the implementation of the Strategic Risk Register for the 1<sup>st</sup> quarter be <b>NOTED</b>.</p>	<b>MM</b>	For noting
<p><b>HGC: 287</b>  <b>REPORT ON SCHEDULE OF KEY DEADLINES MFMA CALENDAR (COMPLIANCE)</b></p> 	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the status of schedule of key deadlines compliance activities be <b>NOTED</b>.</p>	<b>MM</b>	For noting
<p><b>HGC: 288</b>  <b>FIRST QUARTER REPORT ON THE IMPLEMENTATION OF</b></p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;</p>		

<p><b>THE/MANNUAL INTERNAL AUDIT PLAN FOR 2018/2019 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council notes and comments on the 1<sup>st</sup> quarter progress report on the implementation of the Internal Audit Plan.</p>	<p style="text-align: center;"><b>MM</b></p>	<p>For noting</p>
<p><b>HGC: 289 SALGA MONTHLY CIRCULAR: STANDING ITEM IN COUNCIL MEETINGS – 16 NOVEMBER 2018</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and TC Dlamini proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Council notes the Monthly SALGA Circular report as of the 16<sup>th</sup> of November 2018.</p>	<p style="text-align: center;"><b>MM</b></p>	<p>For noting</p>
<p><b>HGC: 290 PROGRESS REPORT ON HARRY GWALA DISTRICT MUNICIPALITY AND UKHOZI FM SUMMER CAMPAIGN – NYUS'IVOLUME 2018</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Council grants authority to the Municipal Manager to sign the Service Level Agreement on behalf of the Municipality with Ukhozi FM.</p> <p>b) That the Council approves the deviation from SCM processes primarily because Ukhozi FM is an organ of state and the</p>	<p style="text-align: center;"><b>MM</b></p>	<p>The Municipal Manager signed the SLA with Ukhozi FM</p> <p>The deviation was approved</p>

	only Station in KZN hosting the program .		
<b>HGC: 291</b> <b>REPORT ON THE FUNCTIONALITY OF IGR STRUCTURES IN THE DISTRICT</b> 	With Councillors WB Dlamini and ZR Tshazi proposing and seconding respectively, it was;  <p style="text-align: center;"><b>RESOLVED</b></p> a) That the report be noted.	<b>MM</b>	For noting
<b>HGC: 292</b> <b>PROGRESS REPORT FOR THE HARRY GWALA DISTRICT WORLD AIDS DAY 2018</b> 	With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;  <p style="text-align: center;"><b>RESOLVED</b></p> a) That the progress on the preparations for the World AIDS Day for 2018 be <b>NOTED.</b>	<b>MM</b>	For noting
<b>HGC: 293</b> <b>SERVICE LEVEL AGREEMENT WITH UMGENI WATER</b> 	With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively, it was;  <p style="text-align: center;"><b>RESOLVED</b></p> a) That the four (4) mentioned agreements between the Harry Gwala District Municipality and Umgeni Water be <b>APPROVED</b> (refer to attached Annexures).  b) That the Municipal Manager of Harry Gwala District	<b>MM</b>	The Agreement was signed by the MM

	<p>Municipality be <b>AUTHORIZED</b> to sign these Service Level Agreements on behalf of Harry Gwala District Municipality.</p> <p>c) That the Municipal Manager of Harry Gwala District Municipality be <b>AUTHORIZED</b> to sign any alterations on the Service Level Agreement.</p>		
<b>REPORTS FROM FINANCIAL SERVICES</b>			
<b>HGE: 294</b> <b>REPORT ON SUPPLY CHAIN MANAGEMENT</b> 	<p>With Councillors WB Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>noted</b>.</p> <p>b) That the deviations for ESRI South Africa, SABC Vuka Sizwe, and BnB Transport and Plant Hire be <b>approved</b>.</p>	<b>CFO</b>	The deviations were implemented
<b>HGE: 295</b> <b>ASSET MANAGEMENT</b> 	<p>With Councillors WB Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>NOTED</b>.</p>	<b>CFO</b>	For noting
<b>HGE: 296</b> <b>REPORT ON THE TRANSFER OF ASSETS TO UMGUNGUNDLOVU DISTRICT MUNICIPALITY</b> 	<p>With Councillors WB Dlamini and ZR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p>	<b>CFO</b>	Meeting between the management of HGDM and

	<p>a) That the report be <b>NOTED</b>.</p> <p>b) That the transfer of the Ncwadi water project with all its components to Umgungundlovu District Municipality be <b>APPROVED</b>.</p> <p>c) That the Accounting Officer be <b>AUTHORIZED</b> to sign the transfer agreement entered into with Umgungundlovu District Municipality.</p>		<p>Umgungundlovu DM will be held on the 5<sup>th</sup> of February 2018 thereafter await a Council resolution accepting the assets from Umgungundlovu DM</p>
<b>REPORTS FROM CORPORATE SERVICES</b>			
<p><b>HGE: 297</b>  <b>REPORT ON COMPULSORY LEAVE FOR DECEMBER 2018</b>  </p>	<p>With Councillors TC Dlamini and NW Dladla proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the compulsory leave from the 27<sup>th</sup> of December 2018 to the 31<sup>st</sup> of December 2018 be <b>APPROVED</b>.</p>	<b>HOD CORPORATE SERVICES</b>	<p>The compulsory leave was implemented</p>
<p><b>HGE: 298</b>  <b>APPROVAL OF MEETING AND COMPLIANCE DATES FOR 2019</b>  </p>	<p>With Councillors TC Dlamini and NW Dladla proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the meeting and compliance dates for 2019 be <b>APPROVED</b> subject to amending the Women's Caucus meeting dates.</p>	<b>HOD CORPORATE SERVICES</b>	<p>The Women's Caucus amended meeting dates were submitted by the Chairperson of the Women's Caucus and added to the schedule of meetings for 2019</p>

<p><b>HGE: 299</b>  <b>PROPOSED PAY DATES FOR 2019</b>  </p>	<p>With Councillors TC Dlamini and NW Dladla proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the payment dates for the year 2019 be <b>APPROVED</b> as follows: -</p>	<p style="text-align: center;"><b>HOD CORPORATE SERVICES</b></p>	<p>The approved dates would be implemented in 2019</p>
<p style="text-align: center;"><b>JANUARY 18</b></p>	<p style="text-align: center;"><b>JULY 25</b></p>		
<p style="text-align: center;"><b>FEBRUARY 22</b></p>	<p style="text-align: center;"><b>AUGUST 23</b></p>		
<p style="text-align: center;"><b>MARCH 22</b></p>	<p style="text-align: center;"><b>SEPTEMBER 20</b></p>		
<p style="text-align: center;"><b>APRIL 25</b></p>	<p style="text-align: center;"><b>OCTOBER 25</b></p>		
<p style="text-align: center;"><b>MAY 24</b></p>	<p style="text-align: center;"><b>NOVEMBER 22</b></p>		
<p style="text-align: center;"><b>JUNE 21</b></p>	<p style="text-align: center;"><b>DECEMBER 20</b></p>		
<p><b>REPORTS FROM SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>			
<p><b>HGE: 300</b>  <b>REPORT ON HARRY GWALA DISTRICT CHOLERA PREPAREDNESS PLAN</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>b) That the report be <b>NOTED</b>.</p>	<p style="text-align: center;"><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>For noting</p>

<p><b>HGE: 301</b>  <b>REPORT ON OPERATION FIELD FOR ILICIT AND NON-COMPLIANT PRODUCTS ACTION PLAN</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>NOTED</b>.</p>	<p><b>EXECUTIVE DIRECTOR:  SOCIAL SERVICES AND  DEVELOPMENT PLANNING</b></p>	<p>For noting</p>
<p><b>HGE: 302</b>  <b>REPORT ON HGDM DISASTER MANAGEMENT ANNUAL REPORT (2017/18)</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the Harry Gwala Disaster Management 2017/18 Annual Report be <b>APPROVED</b>.</p>	<p><b>HOD SOCIAL SERVICES AND  DEVELOPMENT PLANNING</b></p>	<p>For Approval</p>
<p><b>HGE: 303</b>  <b>REPORT ON SUMMER SEASON CONTINGENCY PLAN 2018</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the 2018 Summer Season Contingency Plan be <b>APPROVED</b>.</p>	<p><b>HOD SOCIAL SERVICES AND  DEVELOPMENT PLANNING</b></p>	<p>For Approval</p>
<p><b>HGE: 304</b>  <b>THE 2018/2019 FIRST QUARTER PERFORMANCE REPORT</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>NOTED</b>.</p>	<p><b>HOD SOCIAL SERVICES AND  DEVELOPMENT PLANNING</b></p>	<p>For noting</p>

<p><b>HGE: 305</b>  <b>PROGRESS REPORT FOR SALGA</b>  <b>KZN-DSR GAMES 2018</b>  </p>	<p>With Councillors ZS Nyide and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the report be <b>NOTED</b>.</p>	<p style="text-align: center;"><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>For noting</p>
<b>WATER SERVICES REPORTS</b>			
<p><b>HGC: 306</b>  <b>TRANSFER OF KWASANI</b>  <b>BUCKET SYSTEM ERADICATION</b>  <b>PROJECT ASSETS FROM COGTA</b>  <b>TO HARRY GWALA DM</b>  </p>	<p>With Councillors SS Mavuma and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the KwaSani Bucket System Eradication Project Wastewater system assets from COGTA be <b>accepted</b> and that these assets be capitalized as the municipal assets; and</p> <p>b) That the budget be <b>provided</b> for operation and maintenance purposes.</p>	<p style="text-align: center;"><b>CFO / HOD WATER SERVICES</b></p>	<p>Water conditional assessment is being conducted</p>
<b>REPORTS FROM THE OFFICE OF THE SPEAKER</b>			
<p><b>HGC: 307</b>  <b>APPOINTMENT OF THE DEPUTY</b>  <b>CHAIRPERSON OF THE</b>  <b>MUNICIPAL PUBLIC ACCOUNTS</b>  <b>COMMITTEE</b>  </p>	<p>With Councillors NW Dladla and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That Councillor WB Dlamini be elected as the Deputy Chairperson of the Municipal</p>	<p style="text-align: center;"><b>SPEAKER</b></p>	<p>Ongoing</p>

	Public Accounts Committee (MPAC).		Deputy Chairperson elected
<b>RESOLUTION NO. &amp; ITEM TITLE</b>	<b>ACTION/ RESOLUTION</b>	<b>RESPONSIBLE BODY/OFFICIAL</b>	<b>PROGRESS MADE</b>
<p>5. DEPUTATIONS:</p> <p>A) <b>AUDIT COMMITTEE CHAIRPERSON</b></p> <p>B) <b>HARRY GWALA DEVELOPMENT AGENCY REPORT BY CHAIRPERSON, DR IB MKHIZE.</b></p>	<p>The Municipal Manager apologized on behalf of the Chairperson as there had been a breakdown in communication of the new Council date as he was therefore unable to attend the meeting.</p> <p><b>NOTED.</b></p> <p>The Chairperson requested that the reports for the Harry Gwala Development Agency be presented on a quarterly basis.</p> <p>The report was <b>NOTED.</b></p>	<b>HGDM BOARD CHAIRPERSON</b>	Ongoing
<p><b>HGC: 277</b></p> <p><b>SWEARING IN OF NEW PR COUNCILLOR</b></p> <p></p>	Councillor ZS Nyide was declared a member of the Harry Gwala District municipal council.		Implemented Cllr Nyide was sworn in
<b>OFFICE OF THE MUNICIPAL MANAGER REPORTS</b>			
<p><b>HGC: 242</b></p> <p><b>MONTHLY SALGA REPORT: STANDING ITEM IN COUNCIL MEETINGS 18 JUNE 2018</b></p> <p></p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED</b></p> <p>a) That the SALGA monthly report for the month ending June 2018 be <b>NOTED.</b></p>	<b>MM</b>	For noting

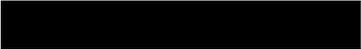
<p><b>HGC: 243</b></p> <p><b>SECOND QUARTER REPORT ON THE IMPLEMENTATION OF THE ANNUAL INTERNAL AUDIT PLAN FOR 2017/2018 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the 2<sup>nd</sup> Quarter progress report on the Implementation of the Annual Audit Plan for the 2017/2018 financial year be <b>NOTED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">For noting</p>
<p><b>HGC: 244</b></p> <p><b>THIRD QUARTER RISK MANAGEMENT REPORT FOR 2017/2018 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Third Quarter Risk Management report for the 2017/2018 financial year be <b>NOTED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">For noting</p>
<p><b>HGC: 245</b></p> <p><b>REVIEWED AUDIT COMMITTEE CHARTER AND ANNUAL AUDIT COMMITTEE WORKPLAN FOR 2018/2019 FINANCIAL YEAR</b></p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Reviewed Audit Committee Charter and Annual Audit Committee Work Plan for 2018/2019 financial year be <b>APPROVED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">Approved</p>
<p><b>HGC: 246</b></p> <p><b>REPORT ON BACK TO BASICS FOR QUARTER THREE 2017/2018 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">For noting</p>

	<p>a) That the Back to Basics report for Quarter 3 of the 2017/2018 financial year be <b>NOTED</b>.</p>		
<p><b>HGC: 247</b></p> <p><b>PROGRESS REPORT ON THE FUNCTIONALITY OF OPERATION SUKUMA SAKHE (OSS), WAR ROOMS AND CAMPAIGNS</b></p> <p>[REDACTED]</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p><b>RESOLVED:</b></p> <p>a) That the Progress report on the Functionality of Operation Sukuma Sakhe (OSS), War Rooms and Campaigns be <b>NOTED</b>.</p>	<b>MM</b>	For noting
<p><b>HGC: 248</b></p> <p><b>PROPOSED UNIFORM STANDING PROCEDURES: SANCTIONS FOR NON ATTENDANCE TO MEETINGS BY COUNCILLORS</b></p> <p>[REDACTED]</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p><b>RESOLVED:</b></p> <p>a) That the Uniform Standing Procedure: Sanctions for Non-Attendance to Meetings by Councillors, Annexure A, in terms of item 4(3) of the Code of Conduct for Councillors contained in Schedule 1 of the Local Government: Municipal Systems Act No. 32 of 2000 be <b>ADOPTED</b>.</p> <p>b) That the amendment of the Standing Rules and Orders of Council and Committees of</p>	<b>COUNCIL</b>	<p>Adopted</p> <p>Approved</p>

	Council adopted on the 28 <sup>th</sup> June 2017 to include Annexure A referred to above be <b>APPROVED.</b>		
<b>HGC: 249</b> <b>REPORT ON THE PERFORMANCE ASSESSMENT OF CONTRACTORS: S116 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003</b> [REDACTED]	With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Performance Assessment report of Contractors as per s116 of the Municipal Finance Management Act No. 56 of 2003 as at the end of June 2018 be <b>NOTED.</b>	<b>COUNCIL</b>	For noting
<b>HGC: 250</b> <b>PROGRESS REPORT ON THE IMPLEMENTATION OF THE AUDITOR GENERAL ACTION PLAN AS AT THE END OF JULY 2018</b> [REDACTED]	a) That Council <b>NOTES</b> the Progress report on the Implementation of the Auditor General Action Plan as at the end of July 2018.	<b>MM</b>	For noting
<b>HGC: 251</b> <b>REPORT ON THE RISK ASSESSMENT WORKSHOP</b> [REDACTED]	With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Progress report on the Implementation of the Auditor General Action Plan as at the end of July 2018 be <b>NOTED.</b>	<b>MM</b>	Approved

<p><b>HGC: 252</b>  <b>PROGRESS ON THE</b>  <b>IMPLEMENTATION OF COUNCIL</b>  <b>RESOLUTIONS: 30 MAY 2018 –</b>  <b>29 AUGUST 2018</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the progress made against the Implementation of Council resolutions for Quarter 4 of the 2017/2018 financial year (30 May 2018) be <b>APPROVED.</b></p> <p>b) That the progress made against the Implementation of the Council resolutions for Quarter 1 of the 2018/2019 financial year (29 August 2018) be <b>NOTED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">For noting</p>
<p><b>HGC: 253</b>  <b>REPORT ON THE RISK</b>  <b>MANAGEMENT FRAMEWORK</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Risk Management Framework be <b>APPROVED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">Approved</p>
<p><b>HGC: 254</b>  <b>REPORT ON BACK TO BASICS</b>  <b>DEPARTMENTAL</b>  <b>PERFORMANCE: 2017/2018</b></p> <p>████████████████████</p>	<p>With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report on the Back to Basics: Departmental Performance for the 2017/2018 financial year be <b>NOTED.</b></p>	<p style="text-align: center;"><b>MM</b></p>	<p style="text-align: center;">For noting</p>

	b) That the Turnaround Strategy for the Implementation of the Back to Basics for the 2018/2019 financial year be <b>NOTED</b> .		
<b>HGC: 255</b> <b>REPORT ON THE TURNAROUND STRATEGY FOR THE ENTITY</b> [REDACTED]	With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the report on the Turnaround Strategy be <b>NOTED</b> .	<b>HGDA</b>	For noting
<b>HGC: 256</b> <b>REPORT ON THE KZN PROVINCIAL LEKGOTLA</b> [REDACTED]	With Councillors NW Dladla and SV Zulu proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the report on the KZN Provincial Lekgotla be <b>NOTED</b> .	<b>MM</b>	For noting
<b>HGC: 257</b> <b>APPOINTMENT OF THE DEPUTY CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE</b>	Deferred to the next meeting agenda.	<b>SPEAKER</b>	Meeting scheduled to sit on 30 Nov 2018
<b>REPORTS FROM THE FINANCIAL SERVICES DEPARTMENT</b>			
<b>HGC: 258</b> <b>REPORT ON SUPPLY CHAIN MANAGEMENT</b> [REDACTED]	With Councillors TG Soni and BC Mncwabe proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the report on the Supply Chain Management be <b>NOTED</b> .	<b>CFO</b>	For noting

<p><b>HGC: 259</b>  <b>REPORT ON S71 AND S52 (d) OF THE MFMA FOR THE PERIOD ENDING 30 JUNE 2018</b>  </p>	<p>With Councillors TG Soni and BC Mncwabe proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report on S71 and S52 (d) of the MFMA for the period ending 30 June 2018 be <b>NOTED</b>.</p>	<p style="text-align: center;"><b>CFO</b></p>	<p style="text-align: center;">For noting</p>
<p><b>HGC: 260</b>  <b>REPORT ON REVENUE MANAGEMENT</b>  </p>	<p>With Councillors TG Soni and BC Mncwabe proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Revenue Management report be <b>NOTED</b>.</p> <p>b) That the write-off of the total outstanding debt reflecting on the age analysis which is inclusive of inactive accounts for deceased consumers amounting to R2 463 308.30 as it was irrecoverable be <b>APPROVED</b>.</p>	<p style="text-align: center;"><b>CFO</b></p>	<p style="text-align: center;">For noting</p> <p style="text-align: center;">Approved Implemented</p>
<p><b>REPORTS FROM THE CORPORATE SERVICES DEPARTMENT</b></p>			
<p><b>HGC: 261</b>  <b>ANNUAL INCREASE FOR SECURITY COMPANIES FOR 2018/2019 FINANCIAL YEAR</b></p>	<p>With Councillors SV Zulu and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p>	<p style="text-align: center;"><b>HOD CORPORATE SERVICES</b></p>	<p style="text-align: center;">Approved</p>

	That the Annual Increase for Security companies for the 2018/2019 financial year of 6.7% for each security company based on the Memorandum of Agreement signed on the 27 <sup>th</sup> July 2018 be <b>APPROVED</b> .		
<b>HGC: 262</b> <b>REPORT ON SALARY AND WAGE COLLECTIVE AGREEMENT FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2021</b> 	With Councillors SV Zulu and WB Dlamini proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Salary and Wage Collective Agreements for the period 1 July 2018 to 30 July 2021 be <b>APPROVED</b> .  b) That Council <b>APPROVES</b> that all employees be back-paid retrospectively.	<b>HOD CORPORATE SERVICES</b>	Approved  Implemented
<b>REPORTS ON SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>			
<b>HGC: 263</b> <b>REPORT ON DRAFT HARRY GWALA DISTRICT DISASTER MANAGEMENT SECTOR PLAN</b> 	With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Harry Gwala District Disaster Management Sector Plan be <b>APPROVED</b> .	<b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	Approved
<b>HGC: 264</b> <b>PERFORMANCE AGREEMENTS FOR 2018/2019 FINANCIAL YEAR</b>	With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;  <b>RESOLVED:</b>	<b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	

<p>[REDACTED]</p>	<p>a) That the Harry Gwala District Municipality Performance Agreements for the Municipal Manager and Managers directly accountable to the Municipal Manager for the 2018/2019 financial year be <b>APPROVED</b>.</p>		
<p><b>HGC: 265</b>  <b>DEVELOPMENT OF THE HARRY GWALA DISTRICT INTEGRATED PUBLIC TRANSPORT NETWORK (IPTN)</b>  [REDACTED]</p>	<p>With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Harry Gwala District Municipality Integrated Public Transport Network be <b>APPROVED</b> and</p> <p>b) That the Integrated Public Transport Network be reviewed after three years as per the requirement.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>Approved</p>
<p><b>HGC: 266</b>  <b>DEVELOPMENT OF HARRY GWALA DISTRICT MUNICIPALITY CLIMATE CHANGE RESPONSE PLAN</b>  [REDACTED]</p>	<p>With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Harry Gwala District Municipality's Climate Change Response Plan be <b>APPROVED</b> and</p> <p>b) That the plan be reviewed after three years due to technical and financial resources required in preparation of the review of the strategy</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>Approved</p>

<p><b>HGC: 267</b></p> <p><b>DEVELOPMENT OF THE HARRY GWALA DISTRICT 2018/2019 SPATIAL DEVELOPMENT FRAMEWORK (SDF)</b></p> <p>████████████████████</p>	<p>With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Harry Gwala District Municipality's Spatial Development Framework (SDF) for the 2018/2019 financial year be <b>APPROVED</b> and</p> <p>b) That the reviewed Harry Gwala District Municipality's Spatial Development Framework as a developmental guiding document over the term be <b>APPROVED.</b></p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>Approved</p>
<p><b>HGC: 268</b></p> <p><b>REPORT ON THE REVIEWED AND UPDATED DRAFT HGDM DISASTER MANAGEMENT PLAN</b></p> <p>████████████████████</p>	<p>With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the reviewed and updated Harry Gwala District Disaster Management Plan for 2018/2019 financial year be <b>APPROVED.</b></p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>Approved</p>
<p><b>HGC: 269</b></p> <p><b>PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK/POLICY 2018/2019 FINANCIAL YEAR</b></p> <p>████████████████████</p>	<p>With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Harry Gwala District Municipality's Performance</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>Approved</p>

	Management System Framework/Policy for 2018/2019 financial year be <b>APPROVED.</b>		
<b>HGC: 270</b> <b>2018/2019 DRAFT IDP FRAMEWORK AND PROCESS PLAN</b> [REDACTED]	With Councillors ZR Tshazi and WB Dlamini proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Harry Gwala District Municipality's IDP Framework and Process Plan for 2018/2019 financial year be <b>APPROVED.</b>	<b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b>	Approved
<b>REPORTS FROM WATER SERVICES</b>			
<b>HGC: 271</b> <b>DEVELOPMENT OF MANAGEMENT PLAN TO REDUCE NON-REVENUE WATER</b> [REDACTED]	With Councillors SV Zulu and BC Mncwabe proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Development of Management Plan to Reduce Non-Revenue Water in the Harry Gwala District Municipality be <b>APPROVED.</b>	<b>HOD WATER SERVICES</b>	Approved
<b>HGC: 272</b> <b>REVIEW OF WATER SERVICES DEVELOPMENT PLAN</b> [REDACTED]	With Councillors SV Zulu and BC Mncwabe proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the Water Services Development Plan as funded and implemented by the Development Bank of South	<b>HOD WATER SERVICES</b>	Adopted

	Africa (DBSA) on behalf of Harry Gwala District Municipality be <b>ADOPTED.</b>		
<b>REPORTS FROM INFRASTRUCTURE SERVICES</b>			
<b>HGC: 273</b> <b>KOKSTAD SEWER SPILLAGES IN EXTENSION 7 AND SHAYAMOYA</b> 	With Councillors WB Dlamini and NW Dladla proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That portion 2 of the deviation for construction of the system to be fully operational be <b>APPROVED</b> and  b) That the deviation amount of R 25 642 552.12 inclusive of VAT (15%), Engineering and ISD fees as per the approved DWS and MIG business plan be <b>APPROVED.</b>	<b>HOD INFRASTRUCTURE SERVICES</b>	Approved
<b>HGC: 274</b> <b>ERADICATION OF RURAL SANITATION BACKLOGS WITHIN HARRY GWALA DISTRICT MUNICIPALITY – EXTENSION OF MATERIAL SUPPLY CONTRACT UNDER THE MIG/WSIG PROGRAM – FOR A PERIOD NOT EXCEEDING 14 MONTHS</b> 	With Councillors WB Dlamini and NW Dladla proposing and seconding respectively it was;  <b>RESOLVED:</b>  a) That the contract of Contrite Walls contract no: HGDM 457/HGDM/2015 from September 2018 to 30 December 2019 for the supply of bottom pit lining and top structure be <b>APPROVED</b> and	<b>HOD INFRASTRUCTURE SERVICES</b>	Approved

	<p>b) That the extension to cater for CPA and variance values for the entire contract and be limited but not exceeding 15% of (R14 900 257,88) during this 14 month period be <b>APPROVED</b>.</p>		
<p><b>OTHER REPORTS/SUPPLEMENTARY REPORTS</b></p>			
<p><b>HGC: 275</b> <b>WOMENS CAUCUS REPORT</b> [REDACTED]</p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report be <b>NOTED</b> and that financial implications would be taken into consideration.</p>	<p><b>HOD SOCIAL SERVICES AND DEVELOPMENT PLANNING</b></p>	<p>For noting</p>
<p><b>HGC: 278</b> <b>RISK BASED OPERATIONAL AND STRATEGIC INTERNAL AUDIT PLAN FOR THE 2018/2019 FINANCIAL YEAR AND THREE YEAR ROLLING PLAN</b> [REDACTED]</p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the Risk Based Operational and Strategic Internal Audit Plan for the 2018/2019 financial year and three year Rolling Plan be <b>NOTED</b>.</p>	<p><b>MM</b></p>	<p>For noting</p>
<p><b>HGC: 279</b></p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively it was;</p>		

<p><b>EXTENSION OF CONTRACTS OF THE AUDIT COMMITTEE MEMBERS</b></p> <p>[REDACTED]</p>	<p><b>RESOLVED:</b></p> <p>a) That the Extension of the Contracts of the Audit Committee Chairperson, Mr Silas Hlophe and member Mr Dumezweni Mncwabe, by two years as from 01 November 2018 to 31 October 2020 be <b>APPROVED.</b></p> <p>b) That the Extension of the Contracts of Audit Committee members, Professor Bruce Stobie and Ms Sanelisiwe Gumbi, by two years as from 01 March 2019 to 28 February 2021 be <b>APPROVED.</b></p>	<p><b>MM</b></p>	<p>Approved Implemented</p>
<p><b>HGC: 280</b></p> <p><b>DRAFT ORGANIZATIONAL STRUCTURE</b></p> <p>[REDACTED]</p>	<p>With Councillors NW Dladla and ZR Tshazi proposing and seconding respectively it was;</p> <p><b>RESOLVED:</b></p> <p>a) That the Organizational Structure for 2018/2019 financial year be <b>APPROVED.</b></p>	<p><b>HOD CORPORATE SERVICES</b></p>	<p>Approved</p>
<p><b>RESOLUTION NO. &amp; ITEM TITLE</b></p>	<p><b>ACTION/ RESOLUTION</b></p>	<p><b>RESPONSIBLE BODY/OFFICIAL</b></p>	<p><b>PROGRESS MADE</b></p>
<p><b>HGC: 232</b></p> <p><b>REPORT ON THE 2017/2018 ANNUAL FINANCIAL STATEMENTS</b></p> <p>[REDACTED]</p>	<p>With Councillors TC Dlamini and BC Mncwabe proposing and seconding respectively, it was;</p> <p><b>RESOLVED:</b></p>		<p>The AFS were submitted to the Auditor General</p>

	<p>a) That the report on the 2017/2018 Annual Financial Statements be noted.</p>		
<p><b>HGC: 233</b>  <b>REPORT ON SUPPLY CHAIN MANAGEMENT – WRITE-OFF</b>  </p>	<p>With Councillors TC Dlamini and BC Mncwabe proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the report be noted.</p> <p>b) That the write-off of these assets from the Fixed Asset Register be approved.</p>		<p>For noting</p> <p>Approved and Asset Register was updated accordingly</p>
<p><b>HGC: 234</b>  <b>HARRY GWALA DISTRICT MUNICIPALITY (HGDM) DRAFT ANNUAL REPORT FOR THE 2017/2018 FINANCIAL YEAR</b>  </p>	<p>With Councillors NW Dladla and XR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the HGDM 2017/2018 Draft Annual Report be noted before it is submitted to Auditor General on 31 August 2018.</p>	<b>MM</b>	<p>For noting</p> <p>The draft Annual Report was submitted to the Auditor General.</p>
<p><b>HGC: 235</b>  <b>2017/2018 FOURTH QUARTER AND ANNUAL PERFORMANCE REPORTS</b>  </p>	<p>With Councillors NW Dladla and XR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the 2017/2018 fourth quarter and Annual Performance Report be noted before it is submitted to the</p>	<b>MM</b>	<p>For noting</p> <p>Submission of APR to AG implemented</p>

	Auditor General at the end of August 2018.		
<b>HGC: 236</b> <b>2018/2019 HARRY GWALA DISTRICT MUNICIPALITY (HGDM) AND HARRY GWALA DEVELOPMENT AGENCY (HGDA) SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)</b> 	<p>With Councillors NW Dladla and XR Tshazi proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That the 2018/2019 Harry Gwala District Municipality and the Harry Gwala Development Agency's Service Delivery and Budget Implementation Plan (SDBIP) be noted.</p>	<b>HGDA CHAIRPERSON</b>	For noting
<b>HGC: 237</b> <b>REPORT ON THE RECRUITMENT AND SELECTION PROCESS FOR THE POSITION OF EXECUTIVE DIRECTOR: WATER SERVICES</b> 	<p>With Councillors WB Dlamini and B Caluza proposing and seconding respectively, it was;</p> <p style="text-align: center;"><b>RESOLVED:</b></p> <p>a) That Mr. Dumisani Sanele Gqiba be appointed in the position of the Executive Director: Water Services as from the 01<sup>st</sup> September 2018 to 30<sup>th</sup> September 2022.</p> <p>b) That Mr. Dumisani Sanele Gqiba be appointed on a minimum remuneration package of R813 635.00 as per Upper Limit of the total remuneration package payable to the Municipal Manager and Managers directly accountable to the Municipal Managers, subject to the promulgation of</p>	<b>MM</b>  <b>MM</b>	The letter for MEC: COGTA's concurrence has been prepared.

	the Upper Limits of the total remuneration packages payable to the Municipal Manager and Managers directly accountable to the Municipal Managers (2017/18), retrospectively.		
<b>HGC: 239</b> <b>REPORT ON S71 AND S52 (d) OF THE MFMA FOR THE PERIOD ENDING 30 JUNE 2018</b> 	With Councillors NW Dladla and XR Tshazi proposing and seconding respectively, it was;  <b>RESOLVED:</b>  a) That the report on s71 and s52 (d) of the MFMA for the period ending 30 June 2018 be noted.	<b>MM</b>	For noting

## **COMPONENT B: INTER-GOVERNMENTAL RELATIONS**

### **2.3. INTER-GOVERNMENTAL RELATIONS (IGR)**

Co-operative governance in South Africa's system of government is enshrined in Chapter 3 of the Constitution. Co-operative governance is given statutory and institutional expression through Inter-governmental Relations (IGR). IGR is a constitutional requirement for achieving Co-operative Governance. Implementation of policies and government programs requires close co-operation between the spheres of government, especially at Executive level.

Co-operative Governance does not ignore differences of approach and viewpoints among partners, but it encourages healthy debates that results in collaborative efforts (Partnership Government). Thus, the spheres of government have a duty to support, assist and empower one another. Harry Gwala District municipality as a government entity is also obliged to comply with these prescripts in order to achieve synergy with its local municipalities. Amongst other key mandates of IGR is to encourage planning together in order to prevent duplication of projects. All Technical Forums of Harry Gwala District Municipality report to the Municipal Managers Forum. All matters discussed at the Technical Forums get discussed at the Municipal Managers Forum. The Municipal Managers Forum then reports to the Mayoral Forum and decisions taken at the Mayoral Forum are binding.

An itinerary of meetings was drawn up and distributed to all departments for meetings to be convened. The IGR structures are in operation, and most of the IGR meetings are sitting. The IGR unit is currently located in the Corporate Services Department under Administration and Support Directorate. They provide secretariat support to both the Municipal Managers and Mayoral Forums by taking minutes and compile agendas for both forums. IGR reports are also compiled for submission to key stakeholders such as COGTA, Office of the Premier and SALGA.

#### **NATIONAL INTERGOVERNMENTAL STRUCTURES**

The President's Coordinating Council (PCC) is the main coordinating body at national level. It consists of the President, the Deputy President, key Ministers, Premiers and the South African Local Government Association (SALGA). The PCC meets regularly to oversee the implementation of national policies and legislation, and to ensure that national, provincial and local development strategies are aligned to each other.

At national level, each department has an Inter-governmental Forum where Ministers meet with MECs and SALGA. These forums are called MinMECs and are also attended by heads of departments, as technical advisors. The purpose of MinMECs is to consult, coordinate implementation and align programs at national and provincial level.

#### **PROVINCIAL INTER-GOVERNMENTAL STRUCTURES**

The Premier in each province is responsible for coordinating relationships between national, provincial and local government in the province. A Premier's Inter-governmental Forum (PIF) consists of the Premier, the local government MEC, other MECs, Metro and District Mayors and other Mayors where necessary. The PIF meets regularly and consults on broad development in the province, as well as on the implementation of national and provincial policy and legislation. It also seeks to coordinate the alignment of provincial and municipal development planning and strategic planning. The PIF reports through the Premier to the PCC. PIF meetings are usually preceded by PAF (Provincial Advisory Forum) meetings where provincial heads of departments meet with all municipal managers. Harry Gwala DM has forged good working relations with the Eastern Cape (Alfred Nzo Municipality) to assist one another through resources in case there are disasters of high magnitude.

## **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Harry Gwala District municipality re-launched its IGR Structures on 22 November 2016. The following is the list of Political and Technical IGR Forums that were launched and the Chairpersonship was allocated:

Mayors Forum

Municipal Managers' Forum

Planning and Development Forum

Infrastructure Development Services Forum

District Area Finance Forum

Corporate Services Forum

District Communication Forum

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

### **PUBLIC MEETINGS**

### **IDP PARTICIPATION**

#### **2.4 PUBLIC MEETINGS**

Despite the legislative imperative, local government is, by essence, obliged to maintain effective communication with the communities. Likewise, the communities have a responsibility to participate and be involved in the affairs of the municipality.

At HGDM, engagement with communities is ensured through the following structures and mechanisms:

- IDP and budget road shows
- Council meetings
- Mayoral Izimbizo
- Print media
- Electronic media, notably the website and the municipal video system

#### **IDP PARTICIPATION AND ALIGNMENT**

The Municipal Manager has a delegated responsibility from the Mayor, to prepare the IDP for the District. During the IDP review, the following key elements were addressed within the confines of the approved IDP Process Plan and Framework Plan:

- Comments were received from the various role-players in the assessment of the IDP Review documentation.
- Strategic elements of the IDP were reviewed in terms of Council's new priorities, including the Spatial Development Framework.
- New information was included.

- The IDP was aligned with newly completed Sector Plans

The final IDP was tabled before Council in May 2017. There was consideration of community and stakeholder inputs, leading to the final IDP being approved by Council.

IDP Participation Alignment Criteria	Yes/ No
Does the municipality have impact, outcome, and output indicators?	No
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP has the multi-year targets	Yes
Are these aligned and can they be calculated into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the Provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes

## 2.5 IDP PARTICIPATION MEETINGS

Nature and Purpose of the meeting	Date and venue of the meeting	Number of participating Councilors	Number of participating Administrators	Number of community members attending	Issue addressed Yes/No	Date and manner of feedback given to the community
IDP/Budget Road Show (October November 2016)	UBuhlebezwe LM @ Soweto Hall 9 November 2018	8 Councilors	15 Administrators	99 participants per Road-Show	Yes most of the issues were addressed during the Road-Shows. However some of the issues were referred to relevant departments to communicate directly with the affected parties.	In April 2019 all the issues that were not satisfactory dealt with during the October/November IDP/Budget Road-Shows were then responded to accordingly.
	Greater Kokstad LM@ Ward 8 community Hall: 31 October 2018	2 Councilors	8 Administrators	52 participants		
	UMzimkhulu LM @ Clydesdale Hall: 6 November 2018	3 Councilors	5 Administrators	40 participants		
	<u>Dr. Nkosazana Dlamini Zuma @ Bulwer Hall: 2 November 2018</u>	8 Councilors	3 Administrators	63 participants		

	Emakhosini Traditional House @Ixopo: 1 November 2018	5 Councilors	4 Administrators	10 Traditional Leaders		
Nature and Purpose of the meeting	Date and venue of the meeting	Number of participating Councilors	Number of participating Administrators	Number of community members attending	Issue addressed Yes/No	Date and manner of feedback given to the community
IDP/Budget Road Show (26 April 2019)	UBuhlebezwe LM @ Peace Initiative Hall 26 April 2019:	12 councilors Councilors in all the Road-Shows	20 Administrators	+293 participants per Road-Show	Yes most of the issues were addressed during the Road-Shows. However some of the issues were referred to relevant departments to communicate directly with the affected parties.	In April 2019 all the issues that were not satisfactory dealt with during the October/November IDP/Budget Road-Shows were then responded to accordingly.
	UMzimkhulu LM @ Mzwandile Mhlawuli Hall 26 April 2019	10 councilors	5 administrators	178 participants		
	Dr. Nkosazana Dlamini Zuma 26 May 2019	+4 Councilors	+22 Administrators	+500 participants		
	Greater Kokstad LM	1 Councilor	6 Administrators	150 participants		

	Emakhosini Traditional House @ Ixopo: 25 April 2019	5 Councilors	10 Administrators	17 Traditional Leaders		

## COMPONENT D: CORPORATE GOVERNANCE

### 2.6 RISK MANAGEMENT

In 2018/2019 the municipal Council managed to review and approve its Risk Management Framework. The enterprise-wide risk management framework gives an overall picture of the risk management atmosphere desired for Harry Gwala District Municipality when the municipality reaches full maturity in implementing risk management within the planning and day-to-day processes. The implementation of the risk management processes is being guided by the risk management policy and strategy. The combined use of these documents gives guide in the implementation of risk management activities in ensuring that management minuses risks that are associated with the implementation of its programs to levels that are acceptable. The municipality's detailed risk management methodology and risk appetite levels are embedded in the enterprise risk management framework.

Amongst the most important objectives of the Council's approved risk management infrastructure are the following:

- Support Harry Gwala District Municipality's governance responsibilities.
- Ensure compliance.
- Instilling the culture of risk management at all levels .i.e.: at decision making and on the day-to-day running of the municipality.
- Contribute in building a risk-smart workforce and environment that allows for innovation and responsible risk-taking.

Management as guided by the approved risk management strategy has further established Risk Committees; developed human capacity and tools in order to ensure effective implementation of the Council's policies and strategies.

The following structures have been put in place to ensure effective implementation of risk management activities within the municipality

1. **The Audit/Risk Committee**, which is an independent advisory committee to Council.
2. **The Risk Management Committee**, which is the committee that is constituted by senior management and is responsible for assessing and managing the municipality's risks.

The Risk Management Committee is structured as follows:

i.Municipal Manager:	Chairperson
ii.Chief Financial Officer:	Member
iii.Executive Director Corporate Services:	Member
iv.Executive Director Infrastructure Services:	Member

v.Executive Director Water Services:	Member
vi.Executive Director Social Services and Development Planning:	Member
vii.Chief operations officer	Member
viii.Director Internal Auditor	Member
ix.Director IDP/PMS	Member

**The Risk Champions** provide assistance to the department in enabling the embedding of risk management within the Departments. They also assist management in executing their responsibility of managing risks by coordinating risk management activities within the respective departments.

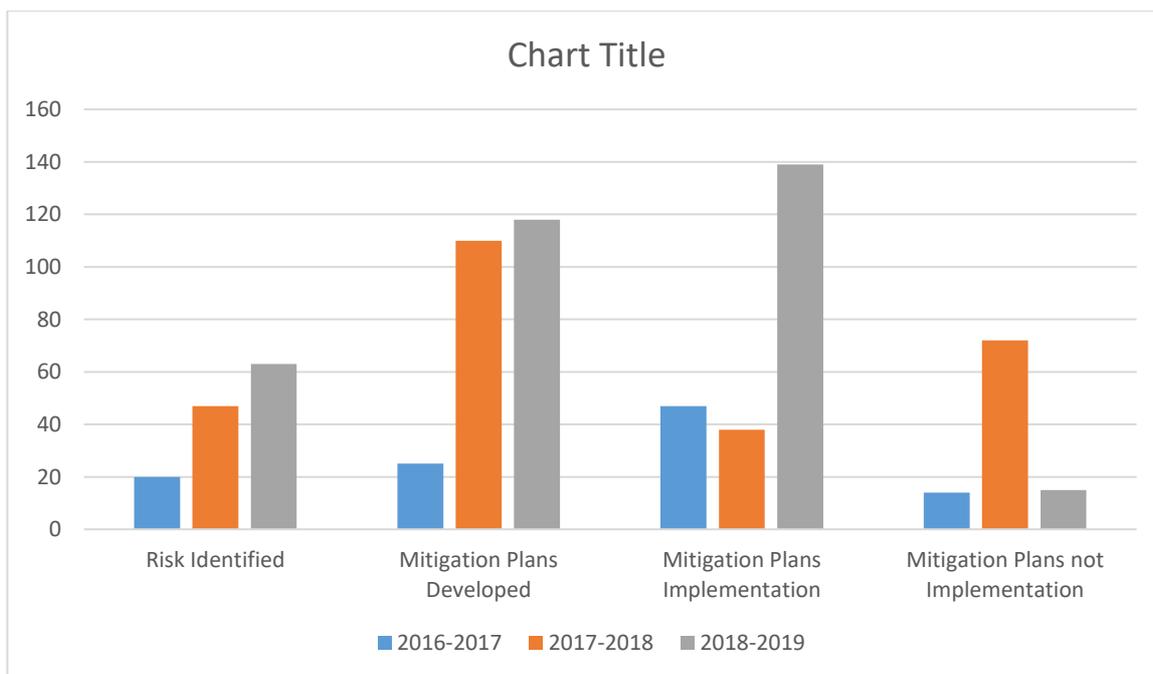
The Risk Champions work closely with the Risk Manager in identifying new and emerging risks, monitoring the implementation of the agreed risk treatment action plans and reporting to the Risk Management Committee.

In terms of the risk management strategy, the municipality reviews its risk register on an annual basis by performing risk assessments in order to ensure that Council better focuses and allocates its resources and take informed decisions and better prepared for adverse circumstances.

The annually reviewed risk register is monitored on an ongoing basis by the risk management staff to ensure implementation of mitigation plans as determined at risk assessment stage.

The following table summarizes the results of the overall implementation of risk management action plans for the 2018-2019 financial year.

**Statistical Summary on the implementation of risk mitigation plans for the last 3 financial years**



The results indicate a huge increase in the implementation of the mitigating measures this shows a commitment in the municipality in improving the risk culture. The overall municipality's 2018/2019 implementation of mitigation plans is 84%. The municipality has grown in levels of understanding and embedded risk culture throughout the organization. This also indicates management's commitment towards achieving good governance in the running of the municipality.

In 2019-2020 the number of risks identified has increased. This gives an indication that there is improved quality in the risk identification process, there by focusing on risks that really pose significant threats to the municipality.

### 15 STRATEGIC RISKS FOR 2019/2020

RISK NAME	RISK DESCRIPTION	INHERENT RISK EXPOSURE	RESIDUAL RISK EXPOSURE	RISK ACCEPTABILITY
Water Services	Drought	High	High	Unacceptable
Water Services	Inability to provide clean drinking water and proper sanitation facilities	High	High	Unacceptable
Human Resource Management	Inadequate skills	High	High	Unacceptable
Spatial Development Framework	Inability to Interpret spatial planning and linking it to Infrastructure planning and development of Harry Gwala town	High	High	Unacceptable
Finance	Failure to fund asset and meet financial obligation/Financial Unsustainability	High	Medium	Cautionary
Information Technology and Communication	Failure to manage an efficient and effective co-ordination of data recovery and continuity in the event of a disruption	High	Medium	Cautionary
Finance	Irregular; Fruitless and Wasteful expenditure	High	Medium	Cautionary

Human Resource Management	Inadequate human capacity	High	Medium	Cautionary
Risk Management	Vulnerability to fraud and corruption	High	Medium	Cautionary
Finance		High	Medium	Cautionary
Revenue Management	Inability to collect revenue	High	Medium	Cautionary
Good Governance	Regressed audit opinion	High	Medium	Cautionary

### Top 15 Operational Risks for 2018/2019

RISK NAME	RISK DESCRIPTION	INHERENT RISK EXPOSURE	RESIDUAL RISK EXPOSURE	RISK ACCEPTABILITY
Human Resource Management	Factional employees created and paid	High	High	Unacceptable
Occupational Health and Safety	Conducive and unsafe environment	High	High	Unacceptable
Revenue Management	Inability to adequately safeguard cash	High	High	Unacceptable
Revenue Management	Inability to bill all customer debtors	High	High	Unacceptable
Expenditure Management	Ineffective expenditure management	High	High	Unacceptable
Salaries	Salary discrepancies	High	High	Unacceptable
Budget	Inadequate budgeting	High	High	Unacceptable
Municipal buildings maintenance	Ineffective maintenance of municipal buildings	High	High	Unacceptable
Municipal Buildings	Inadequate office space	High	High	Unacceptable
Infrastructure development	Failure to deliver infrastructure within reasonable time frame	High	High	Unacceptable
Spatial Development Framework	Non alignment of SDF with IDP	High	High	Unacceptable

Disaster Management	Inability to respond to major disaster/incidents	High	High	Unacceptable
Water governance: Policies and by-laws	Inability to enforce by-laws and policies	High	High	Unacceptable
Water governance: [Blue ; NO & Green drops]	Non-compliance with; Green and No drops	High	High	Unacceptable
Operation and maintenance	Inability to meet turnaround time	High	High	Unacceptable

## 9 FRAUD RISKS FOR 2019/2020

RISK NAME	RISK DESCRIPTION	INHERENT RISK EXPOSURE	RESIDUAL RISK EXPOSURE	RISK ACCEPTABILITY
Human Resource Management	Over-claiming hours worked [Overtime]	High	High	Unacceptable
Human Resource Management	Fictitious employees created and paid	High	High	Unacceptable
Water Services	Illegal Connections	High	High	Unacceptable
Water Services	Theft of Plumbing material and diesel	High	High	Unacceptable
Performance management system	Provision of incorrect POEs to inflate performance information	High	Medium	Cautionary
Finance	Theft of cash by employees or outsiders	High	Medium	Cautionary
Human Resource Management	Abuse of leave by employees	High	Medium	Cautionary
Finance	Invoicing for goods/services not	High	Medium	Cautionary

	supplied and payment thereof.			
Finance	Claims by employees for mileage not undertaken / more than travelled	High	Medium	Cautionary
Information Communication and Technology	authorized staff accessing systems outside their access rights	High	Medium	Cautionary
Finance	Duplication invoices to generate false payments	High	Medium	Cautionary

The top 15 risks operational risk, Fraud Risk and 12 Strategic risks as listed above form part of the statistical report demonstrated above and are being addressed through the improvement of the control environment and monitored to ensure reduction of the residual risk exposure to acceptable levels.

## 2.7 ANTI-CORRUPTION AND FRAUD

Harry Gwala District Municipality has an approved anti-corruption and fraud prevention strategy.

The following initiatives have been initiated in alignment to the strategy:

- 1) In terms of the fraud prevention and anti-corruption strategy, the municipality is in the process of appointing an external independent chairperson for the risk management committee. The risk committee is responsible for ensuring effective implementation of the fraud prevention strategy, this includes amongst other things, the attending to reported fraud allegations received or reported and facilitating and ensuring that all allegations are investigated and ensure implementation of the recommendations of the investigation report.
- 2) The municipality utilizes the NATIONAL and PROVINCIAL ANTI- CORRUPTION FRAUD HOTLINE and is also in the process of establishing a in-house TOLL FREE 24 HOURS ANTI-FRAUD & ETHIC HOTLINE, which will be accessible to staff and all members of the public to report any suspected fraud, corruption and unethical conduct by municipal officials; political office bearers; any member of the public in dealing with municipality; service providers; and any other third party agent representing the municipality.

Currently, all reported allegation are sent to and handled by the Office the Municipal Manager.

## **2.8 SUPPLY CHAIN MANAGEMENT**

### **Procedural issues**

- The Supply Chain Management Policy was adopted and is currently being implemented.
- The procedure manual is in place and currently implemented.
- A compliance checklist has been developed and is currently being implemented.
- The fixed assets policy was adopted and is currently being implemented.
- Bid Committees are fully functional.

### **Components within Supply Chain Management**

Supply Chain Management has six components namely:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management
- Performance Management

#### ***Demand Management***

- Include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for, timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
- Provide for the compilation of the required specifications to ensure that its needs are met; and
- Undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

#### ***Acquisition Management***

- That goods and services are procured by the municipality in accordance with authorized processes only;
- That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- That the threshold values for the different procurement processes are complied with; and
- That bid documentation, evaluation and adjudication criteria, and general conditions of a contract are in accordance with any applicable legislation.

### ***Logistics Management***

- The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- The placing of manual or electronic orders for all acquisitions other than those from petty cash;
- Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

### ***Disposal Management***

- The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act
- Disposal can be done in the following method:
  - Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
  - Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
  - Selling the asset; or
  - Destroying the asset.

### ***Risk Management***

Risk management includes:

- The identification of risks on a case-by-case basis;
- The allocation of risks to the party best suited to manage such risks;
- Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

**Performance Management**

- The performance Management system involves the entire supply chain's ability to meet end-customer needs through product availability and responsive on-time delivery.
- Supply chain performance crosses both functional lines.

**BY-LAWS**

Revised	Public Participation conducted prior to adoption of by-laws (Y/N)	Dates of Public Participation	By-Laws Gazetted (Y/N)	Date of Publication
Water and Sanitation by-laws	Y	Done on monthly bases	N	Not Yet
Municipal Health By-Laws	Y		Y	

**COMMENTS ON BY-LAWS**

The water services by-laws were developed and they were gazzeted in 2007. The Water Services Act 1998 provides that By-laws should be reviewed annually. The department conducted the review of the by-laws in this financial year and some workshops for public participation were conducted.

**PUBLIC SATISFACTION ON MUNICIPAL SERVICES'**

The municipality did not conduct the Customer Satisfaction Survey in the 2018-2019 financial year to ascertain the levels of satisfaction in relation to service delivery. This was in the main due to financial limitations in the municipality.

### CHAPTER 3: SERVICE DELIVERY PERFORMANCE (High Level Performance Report)

Chapter 3 focuses on service delivery on a service-by-service basis. It considers municipal performance derived from IDP objectives, translated into the SDBIP and presents data on Community needs and resource deployment. The service delivery issues are structured, captured and reflected under the priorities contained in the IDP in order to allow easy comparisons on achievements against budget and SDBIP.

#### COMPONENT A: FINANCIAL SERVICES

During 2018-2019 debt recovery was handled as follows:

SERVICES	ACTUAL ACCOUNTS BILLED	% PROPORTION OF ACCOUNTS VALUE BILLED THAT WERE COLLECTED
Water B	R6 780 867	12%
Water C	R36 354 698	66%
Sanitation	R12 072 268	22%

#### Employee: Financial Services

Job Level	FY 2017-2018	FY 2018-2019		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	0	0	0	0
Grade B 1-5	24	5	30	26
Grade C 1-5	11	1	11	11
Grade D 1-5	11	1	11	4
Grade E 1-2	4	1	5	2
No grade				
<b>Total</b>	<b>50</b>	<b>8</b>	<b>57</b>	<b>43</b>

**Financial Performance Year 2016-2017: Financial Performance Budget and Treasury Office**

DETAILS	FY 2017-2018	FY 2018-2019			
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL	VARIANCE TO BUDGET
<b>Total Operational Revenue</b>	R 364 745 000,00	R 340 498 000,00	R 329 126 582,00	R 319 771 370,59	R 9 355 211,41
<b>Expenditure:</b>					
Employees	R 21 173 317,44	R 19 288 218	R 26 728 541,00	R 22 517 390,32	R 4 211 150,68
Repairs And Maintenance	R 0	R 0	R 0	R 0	R 0
Other	R 26 381 669,28	R 43 068 415	R 34 203 161,00	R 29 546 691 .34	- R 1 304 407,34
<b>Total Operational Expenditure</b>	R 317 190 013	R 278 141 367	R 268 194 880	R 267 707 289	R 6 448 468

**COMPONENT B: WATER SERVICES AND SANITATION INFRASTRUCTURE**

**Employees: Water Services**

<b>Job Level</b>	<b>FY 2017/2018</b>	<b>F/Y 2018-2019</b>		
<b>No. of Employees</b>		<b>No. of Funded Posts</b>	<b>No. of Employees</b>	<b>No. of Vacancies</b>
Grade A 1-3	93	103	83	10
Grade B 1-5	50	50	55	2
Grade C 1-5	28	32	28	4
Grade D 1-5	17	21	20	4
Grade E 1-2	3	3	2	1
No grade	0	0	0	0
<b>Total</b>	<b>191</b>	<b>209</b>	<b>188</b>	<b>21</b>

**Financial Performance Year 2018-2019: Water Services**

Details	F/Y 2017/2018	F/Y 2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
<b>Total Operational Revenue</b>	R 66 077 044	R 82 840 603	R 82 840 603	R 68 244 377	R 14 596 226
<b>Expenditure:</b>					
Employees	R 74 673 214	R 74 673 214	R 74 673 214	R 82 063 694	R 7 390 480
Repairs and Maintenance	R 37 812 848	R 39 139 478	R 38 289 478	R 37 547 539	R 741 939
Other	R 30 075 554	R 31 130 728	R 31 980 728	R 31 526 834	R 453 894
<b>Total Operational Expenditure</b>	R 142 561 616	R 144 943 420	R 144 943 420	R 151 138 067	R 8 586 313
<b>Net Operational Expenditure</b>	R 76 484612	R 62 102 817	R 62 102 817	R 82 893 690	R 6 009 913

The Water Services Development Plan (WSDP), Water Conservation and Demand Management Plan (WCDMP) as well as Operations and Maintenance Plan (O&M Plan) have been prepared for the municipality. Due to the multiyear projects that the municipality is dealing with, the implementation rate of these plans is rather slow.

The Review of the Water Services Development Plan was prepared in 2017/2018 through the funding provided by the Development Bank of Southern Africa (DBSA) together with the Non-Revenue Water Management Plan. This had been a successful exercise though the information was either lacking or not properly documented to be incorporated

in the WSDP. The Harry Gwala DM finally has a credible WSDP which is also available in the Department of Water and Sanitation website as prepared in accordance to the DWS prescribed format.

The Business Plans to implement WSDP, WC/WDM Plan and O & M Plan recommended projects that are responding future developments of our towns and the provisioning of reliable bulk water supply to augment the rudimentary water supply schemes could not be developed in the 2018/19 financial year due to budget deficit.

The Water Services Department has also embarked on resolving the Auditor General's outcomes related to the water infrastructure assets which were not handed over to the Harry Gwala district from the neighboring water services authorities which include Ugu District Municipality, Umgungundlovu District Municipality and Umsunduzi Local Municipality. This was due to demarcation process of 2016 which required some of the water services infrastructure assets to be transferred from one municipality to another. The process had ultimately been finalized in 2018/19.

The Municipality had By-Laws that were prepared in year 2015/16. However, these by-laws needed to be analyzed, interpreted and gazetted for the institution in order to enforce them. The other water services policies and plans which include Customer Care Charter, Customer Care Policy, Water Safety Plan and Waste Water Risk Abatement Plan had been reviewed. The Regulatory Performance Measurement System Action Plan, Water Conservation and Water Demand Management Strategy, Procedure Manual for calculating Non Revenue Water and Water Losses and Non-Revenue Water Working Paper File Document had been developed. Communities are being encouraged to familiarize themselves with these documents which are available in the HGDM website.

The Water Services Authority conducted community outreach programmes on Water Conservation, Healthy and Hygiene Promotion, revenue enhancement as well as National Water Week activities. The latter serves as a powerful campaigning mechanism of re-iterating the value of water and the need for sustainable management of this scarce water resource. These campaigns seek to continue building the ongoing awareness creation within the broader Harry Gwala Community coupled with the responsibility that every citizen must take measures of ensuring the integrity of our water resources and its efficient use. The development of these documents will enhance the manner in which district interacts with its communities, reduction in illegal connections and subsequently curb water losses.

In the 2018/19 Financial Year Water Services Authority maintained 144 water supply schemes which include rudimental water supply schemes with water sourced from boreholes and springs. The majority of these schemes are partial functioning due to unreliability or unsustainable water supply sources. The distribution of functional, dysfunctional and partial functioning water supply schemes is shown in the **TABLE 1** below.

**TABLE 1**

Municipality Area	Fully Functional	Partially Functioning	Dysfunctional	Total
Number of Schemes	72	61	5	144

Limitations on annual Budget allocation for the operation and maintenance of water and sanitation schemes has the adverse effects on the functionality status of water services schemes in the HGDM.

Between the 17/18 and 18/19 financial year, the Harry Gwala DM has managed to reduce the water and sanitation backlog by 0.14 % and 2.7% respectively. **TABLE B1.1** below illustrates the current status of access to water and sanitation in the district.

**TABLE B1.1: Access to water as at 2018/19 June**

Municipality	Number of Households	Water Served Households (2017/2018)	Water Backlogs Households (2017/2018)	Percentage of Water Backlogs (2017/2018)	Water Served Households (2018/2019)	Water Backlogs Households (2018/2019)	Percentage of Water Backlogs (2018/2019)
uBuhlebezwe Local Municipality	26 801	16 898	9 903	36.95%	16 988	9 813	36.61%
UMzimkhulu Local Municipality	49 616	38 522	11 094	22.36%	39 480	10 136	20.43%
Greater Kokstad Local Municipality	17 842	17 813	29	0.16%	17 813	29	0.16%

Dr. Nkosazana Dlamini Zuma Local Municipality	28 714	15 453	13 261	46.18%	16 389	12 325	42.92%
<b>Harry Gwala District Municipality</b>	<b>12 2973</b>	<b>88 686</b>	<b>34 287</b>	<b>26.41%</b>	<b>90 670</b>	<b>32 303</b>	<b>26.27%</b>

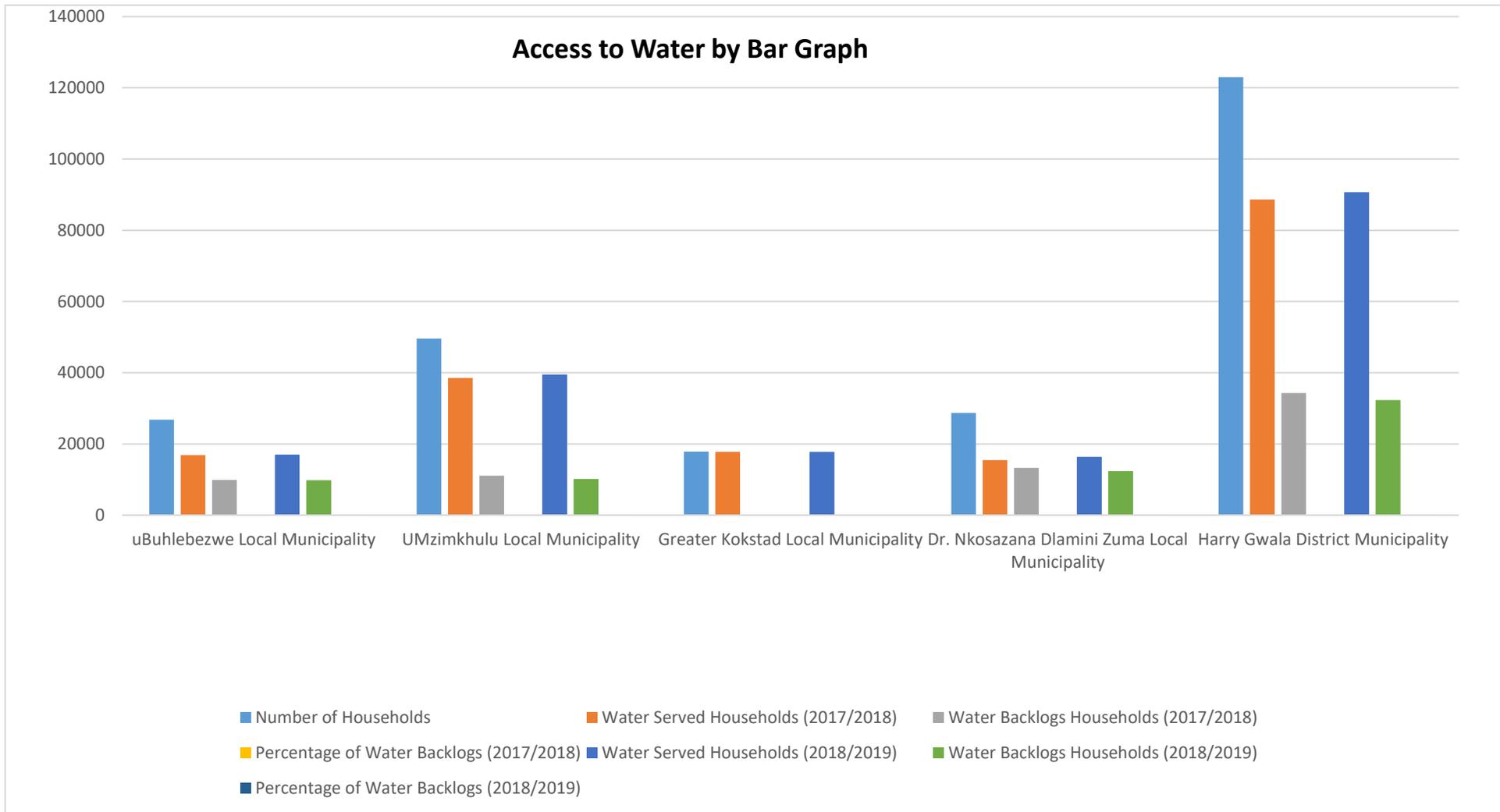
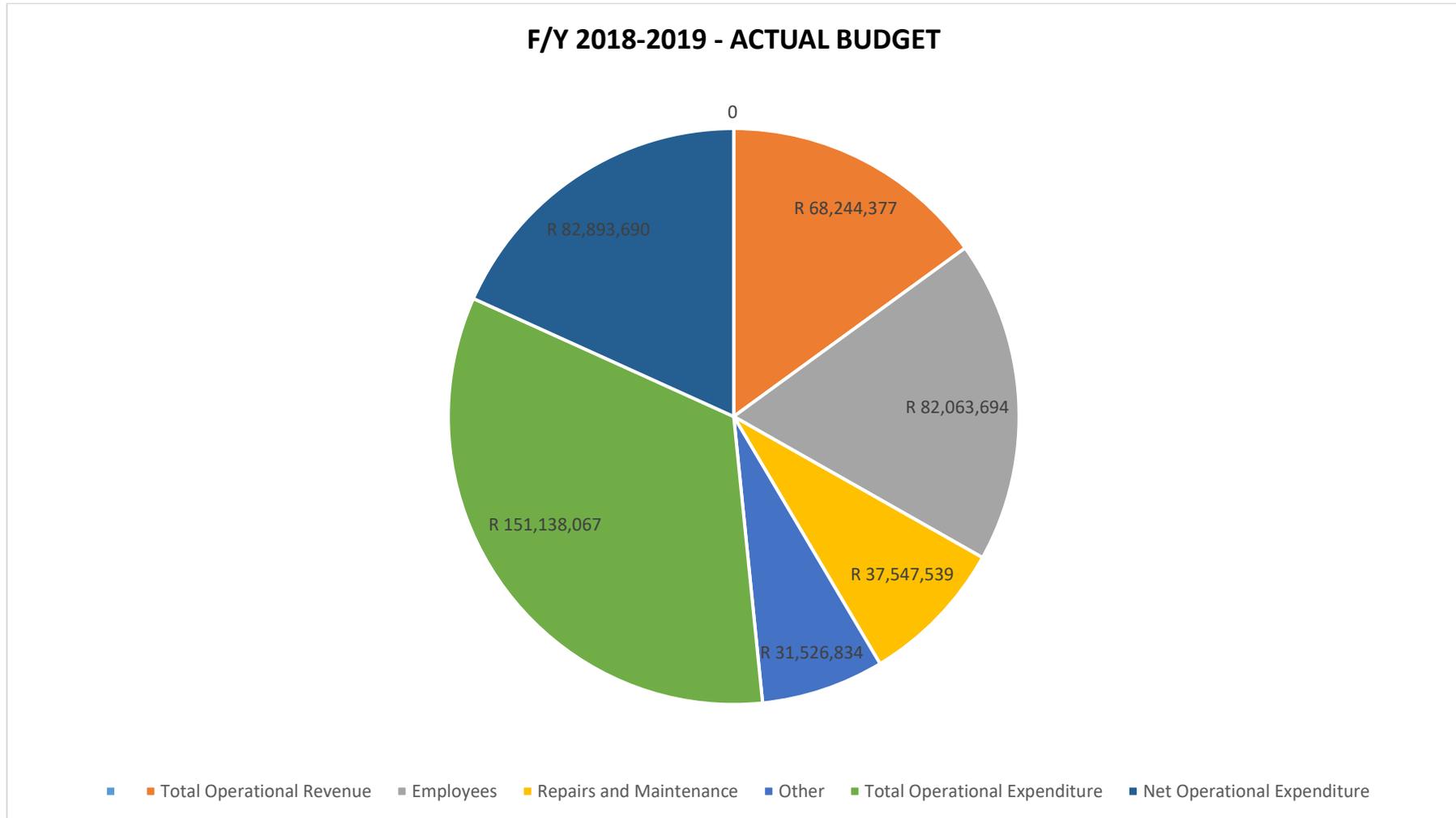


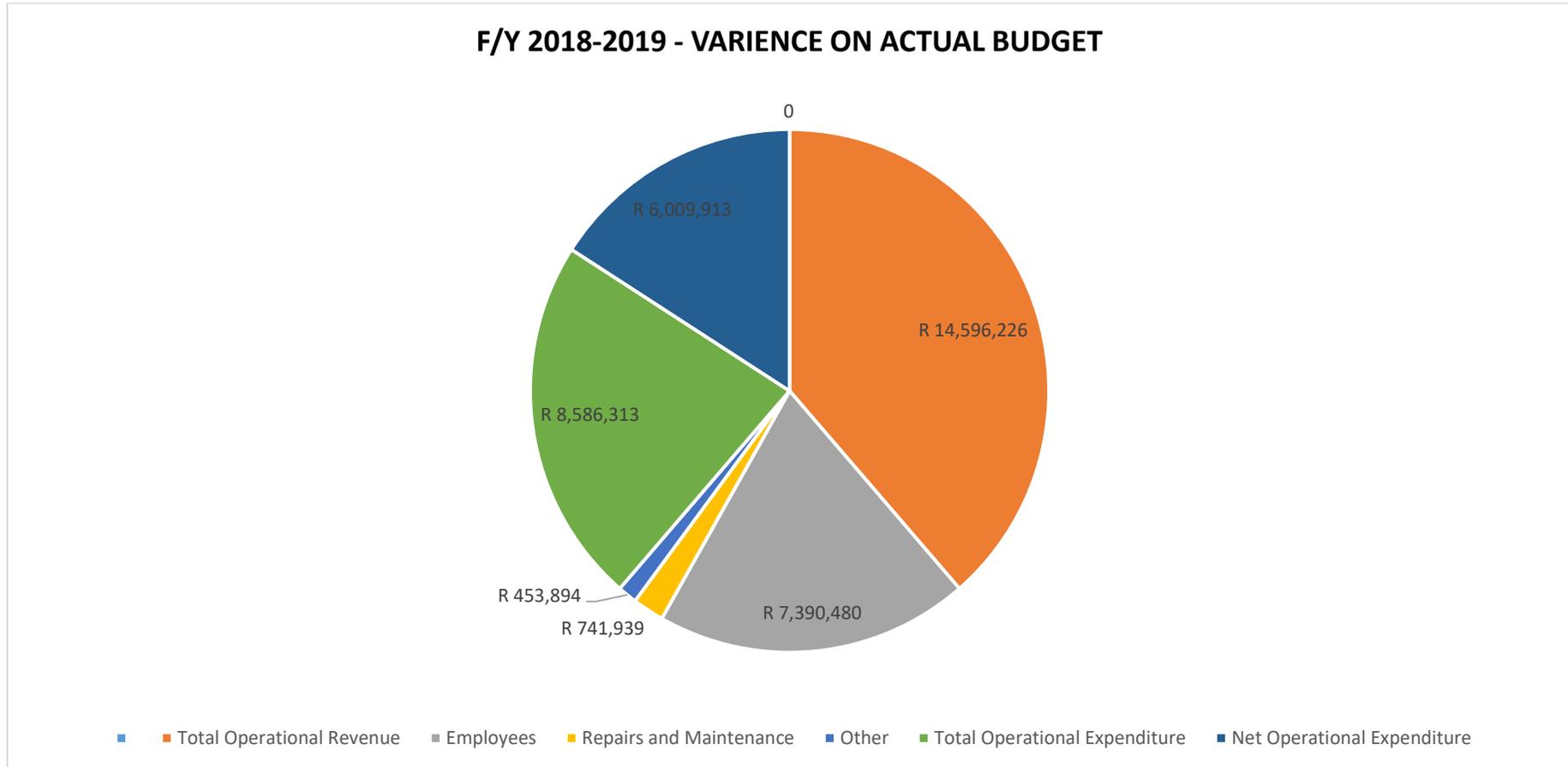
Figure 1 Access to water bar graph 2018-2019

## WATER PROVISION BY SECTOR

2018/2019 Actual Budget Allocation



2018/2019 Variance



**Capital Expenditure Year 2017-2018: Water and Sanitation Services**

This report aims at summarizing the utilization of the 2018/19 Municipal Infrastructure Grant (MIG) funding to the Harry Gwala District Municipality. The objective of the MIG funding is to expedite service delivery to Municipalities that have backlogs in order to reach the stated Millennium Development Goals. The 2018/2019 MIG allocation was

**R196, 587,000.00** This report sets out to show the level of usage and implementation of the MIG funds in the year 2018/2019 and also to show the impact of the funding on the community as the beneficiaries.

**Expenditure Details:**

The Table below shows the monthly expenditure from July 2018 to June 2019. Expenditure on PMU salaries was also taken from the MIG allocation.

**Monthly MIG Expenditure**

<b>Month</b>	<b>Total Monthly Payments</b>
July 2018	R0.00
August 2018	R0.00
September 2018	R 20 730 444,26
October 2018	R 19 042 277,39
November 2018	R 17 694 808,11
December 2018	R 24 158 502,49
January 2019	R 9 831 486,97
February 2019	R 3 721 944,44
March 2019	R 4 461 139,48
April 2019	R 2 761 692,25
May 2019	R 22 731 411,95
June 2019	R 34 907 041,86
<i>PMU Operational costs (2.5%) included in the monthly expenditure</i>	<i>R 5,005,000.00 (2.5%)</i>
<b>TOTAL</b>	<b>R 160 040 749,20</b>

**Background:**

Since the establishment of the PMU section in mid-2008, the MIG expenditure showed marked and tremendous improvement in Harry Gwala District Municipality. The table below shows the MIG expenditure performance in the last 4 years.

<b>GRANT USAGE</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>
MIG Budget	R199,784,000.00	R191,067,000.00	R204,545,000.00	<b>R196, 587,000.00</b>
Expenditure	R199,784,000.00 <b>(100%)</b>	R191,067,000.00 <b>(100%)</b>	R 194,739,205.09 <b>(95.2%)</b>	R 160 040 749,20 <b>(76.42%)</b>

**NB: The 76.42% expenditure of the MIG allocation was reached by end of June 2019.**

The following schedule shows the extracts from the 2018/19 PMU Business Plan and the actual expenditure and status of projects executed in the 2018/19 financial year.

**The expenditure shown and the physical progress is the actual current progress as end 30<sup>th</sup> June 2019.**

Project Description	2018/2019 ( R) Expenditure	Physical Progress (30 June 2019)
Kokstad Bulk Water and Sewer Upgrade Intervention in Shayamoya	28 914 803.12	Construction 98% complete
Greater Umzimkhulu Sanitation Project	21 927 185.31	Construction 80 % complete
Ingwe Household Sanitation Project	16 828 659.73	Construction 85 % complete
Horseshoe Sanitation	16 771 267.28	Construction 97 % complete
Khukhulela Water Supply	384 817.60	Construction 100% complete
Greater Nomandlovu Water Supply Project	3 195 167.76	Construction 100 % complete
Underberg Bulk Water Supply Upgrade Phase 2	7 603 372.42	Construction 97 % complete
Mnqumeni/Santombe Water Supply	20 186 670.41	Construction 70% complete
Greater Summerfield Water Project	21 490 524.08	Construction 40% complete
KwaMey/Theekloof Water Supply	6 361 770.53	Construction 30% complete
Nokweja-Mashumi Water Supply	4 461 891.13	Construction 98% complete

Hlokozi Water Supply	3 225 539.61	Construction 100 % complete
Bulwer Nkelabantwana Water	1 553 206.13	Construction 100 % complete
Ncakubane Water Supply	8 802 459.81	Construction 62% complete

**INTRODUCTION TO SANITATION PROVISION**

**Employees: Sanitation Services (Infrastructure)**

Job Level	FY 2017/2018	F/Y 2018-2019		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	16	0	0	0
Grade B 1-5	9	0	01	03
Grade C 1-5	3	0	01	03
Grade D 1-5	4	02	03	03
Grade E 1-2	0	01	02	03
No Grade	0			
<b>Total</b>	<b>32</b>	<b>03</b>	<b>09</b>	<b>12</b>

**Employees: Sanitation Services (Infrastructure)**

Job Level	FY 2017/2018	F/Y 2018-2019		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	16	0	0	0

<b>Grade B 1-5</b>	9	0	01	03
<b>Grade C 1-5</b>	3	0	01	03
<b>Grade D 1-5</b>	4	02	10	03
<b>Grade E 1-2</b>	0	01	03	03
<b>No Grade</b>	0			
<b>Total</b>	<b>32</b>	<b>03</b>	<b>16</b>	<b>12</b>

Water Services Development Plan (WSDP) is the umbrella framework for the provision of water and sanitation services plans. It addresses the full spectrum of water supply and sanitation services. Over and above that, HGDM ensures the alignment of policies, legislation and strategies. Some of the strategies outlined in a WSDP are free basic services strategy, water resources strategy and national water strategy.

<b>Municipality</b>	<b>Number of Households</b>	<b>Sanitation Served Households 2017/2018</b>	<b>Sanitation Backlogs Households</b>	<b>Percentage of Sanitation Backlogs(2017/18)</b>	<b>Sanitation Served Households 2018/2019</b>	<b>Sanitation Backlogs Households</b>	<b>Percentage of Sanitation Backlogs (2018/19)</b>
uBuhlebezwe Local Municipality	26801	23930	2871	10.71%	24320	2481	9.26%
UMzimkhulu Local Municipality	49616	40132	9484	19.11%	41033	8583	17.30%

Greater Kokstad Local Municipality	17842	16688	1154	6.47%	17602	240	1.35%
Dr. Nkosazana Dlamini Zuma Local Municipality	28714	19985	8729	30.40%	21100	7614	26.52%
<b>Harry Gwala District Municipality</b>	<b>122973</b>	<b>100735</b>	<b>22238</b>	<b>18.08%</b>	<b>104055</b>	<b>18918</b>	<b>15.38%</b>

**Sanitation Service Delivery Levels**

<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>
Kokstad Bulk Water and Sewer Upgrade: Emergency Intervention in Shayamoya and Extension 7	0.00	37 210 443,4	28 914 803,12	8 295 640.28
Horseshoe Sanitation Project new	10 000 000.00	29 640 603,71	15,691,941.11	-19 640 603.71
Dr. Nkosazane Dlamini Zuma Household Sanitation Projects	700 000.00	5 890 849	16 828 659,73	5 190 849.00
Eradication of Sanitation Backlog in UBuhlebezwe	0	6 996 919.00	7 141 493,76	6 996 919.00

## **Capital Expenditure Year 2018-2019: Sanitation Services**

### **Overall Comments on Water and Sanitation Services Performance**

The Water Services Department is responsible for Planning, Design, Regulation through Policies & Bylaws, Water Quality and Operation & Maintenance of all Water & Sanitation projects and activities. It is also responsible for ensuring customer satisfaction through Customer Care Unit.

Within the Planning and Design Unit, the Department has managed to review the Water Services Development Plan (WSDP) which has been reviewed for the last 5 years. Currently, the developed WSDP scores 39.8% in terms of compliance according to DWS ratings. The Harry Gwala DM will strive to improve its WSDP for the oncoming annual reviews. The Planning and Design Unit has also managed to develop a Management Plan for the Reduction of Non-Revenue Water in the District. Such a Plan be instrumental in the reduction of water losses by the district.

A business plan was approved by the Department of Water and Sanitation (DWS) for Harry Gwala District Municipality as part of the intervention to address the sewerage overflowing from manholes in Kokstad. The areas affected were Extension 7 and Shayamoya, an emergency sewer intervention project was implemented to address these challenges. The project scope entailed activities that addressed the surcharging manholes and collapsed sewer pipelines. The intervention had improved living conditions of residents and environment by reducing sewerage spillages in the area..

The Municipality has also created 477 work opportunities for 2018/2019 FY through Expanded Public Works Programme (EPWP), Municipal Infrastructure Grant (MIG) and Water Service Infrastructure Grant WSIG

**COMPONENT C: CORPORATE SERVICES DEPARTMENT**

**Employees 2018-2019: Corporate Services**

Job Level	FY 2017-2018	FY 2018-2019		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3	0	0	0	0
Grade B 1-5		0	1	0
Grade C 1-5	2	4	2	2
Grade D 1-5	2	2	2	2
Grade E 1-2	3	0	3	0
No grade				
<b>Total</b>	<b>7</b>	<b>6</b>	<b>8</b>	<b>4</b>

**Financial Performance Year 2018-2019: Corporate Services**

Details	FY 2017-2018	FY 2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
<b>Total Operational Revenue</b>	<b>R 230 587</b>	0	0	0	0
<b>Expenditure:</b>	0	0	0	0	0
Employees	<b>R 11 198 280</b>	<b>R 20 851 948</b>	<b>R 22 711 446</b>	<b>R 23 346 828</b>	<b>R -635 382</b>
Repairs and Maintenance	<b>R 726 266</b>	<b>R 345 000</b>	<b>R 152 000</b>	<b>R 218 241</b>	<b>R -66 241</b>
Other	<b>R 54 636 559</b>	<b>R 26 299 154</b>	<b>R 50 778 685</b>	<b>R 57 538 490</b>	<b>R -6 759 805</b>
<b>Total Operational Expenditure</b>	<b>R 66 561 105</b>	<b>R 47 496 102</b>	<b>R 73 642 131</b>	<b>R 81 103 559</b>	<b>R 7 328 946</b>
<b>Net Operational Expenditure</b>	<b>R-66 330 518</b>	<b>R-47 496 102</b>	<b>R-73 642 131</b>	<b>R-81 103 559</b>	<b>R-7 328 946</b>

## WEBSITES

### COMMENTS ON MUNICIPAL WEBSITE CONTENT AND ACCESS

Harry Gwala DM developed policies that will ensure full compliance with the requirement of section 75 of the MFMA. In 2018/19 financial year, the municipality updated the content of the website and communities does have access to it. Below are documents that were uploaded onto the website:

Type of Document	Posted to the municipal website (Y/N)	Comments
The current annual and adjustments budgets, all budget-related documents and policies	Y	N/A
The previous annual report	Y	N/A
All service delivery agreements	Y	N/A
All performance agreements for section 57 managers	Y	N/A
All long-term borrowing contracts;	Y	N/A
All supply chain management contracts above a prescribed value	Y	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of	N	N/A
Contracts having future budgetary implications	Y	N/A
Public-private partnership agreements listed in section 120 of the MFMA	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA	Y	N/A

## INFORMATION AND COMMUNICATION TECHNOLOGY

### ICT SYSTEMS PURCHASED DURING THE 2018/19 FINANCIAL YEAR

The Municipality purchased the following systems to ensure full functionality and adherence to audit requirements raised in the previous year:

- Off-site backup
- Telephone upgrade
- Network Switches

- Laptops (HP and Dell)
- Software Licenses
- AD Monitor
- Fortigate Firewall

### **Off-site backup**

The Municipality has procured a new server Lenovo ThinkCentre SR650. This server was commissioned, clustered and installed at Harry Gwala Main Server room. The old server that was used at the main office was moved to Kokstad to be used as a backup server. To-date, the Off-site backup is partially completed pending the installation of UPS which will be procured during 2019/2020 first quarter. The testing of DRP would also be conducted before the end of 2019/2020 second quarter.

### **Telephone upgrade**

The Municipality uses telephones as one of its primary means of communication with the community, stakeholders, service providers, councillors, local municipalities, etc. Telkom is the service provider who has been servicing the municipality for telephone services. With emerging technologies and challenges faced with the old telephone infrastructure, the ICT Unit embarked on a project of upgrading the municipal telephone infrastructure using Telkom as service provider. A five (5) year MSA Agreement has been signed between the municipality and Telkom.

The following benefits were realised after the upgrade:

1. Centralized telephone management system (Teltrace) on a single computer which will reside in the main office.
2. Free telephone calls between main office and satellite offices.
3. Free telephone calls – satellite office-to-satellite office.
4. Hence, reduced municipal telephone bill.

### **Network switches**

The ICT Unit has procured 2 x 48 ports and 12 x 24 ports Power Over Ethernet (POE) Switches. The replacement of these switches were triggered by the upgrade of telephone lines which required all the telephone handset to be powered by Ethernet cables. These switches were installed in the main office and all other satellite offices.

### **Procurement of computers**

During 2018/2019 financial year, the ICT Unit procured 33 laptops of which most of them were for new employees and the rest were given to employees whose their computers had reached their end of life.

## **SOFTWARE LICENSES**

### **Microsoft licenses**

The municipality utilizes Microsoft software for the compilation of documents, sending/receiving of emails, compiling PowerPoint presentation, Drawing up of spreadsheets and running of the computer operating systems. All the software needs to be licensed and the subscription of the Microsoft licenses is paid for on an annual basis. ION Consulting (PTY) Ltd is the company which re-sells all the municipality's Microsoft licenses. The anniversary date for Microsoft licensing is on the 1<sup>st</sup> of September of every year.

The cost of the subscription is not constant and it is influenced by the following aspects:

1.1 Rate of Exchange (ROE) – the weaker the strength of the South African Rand, the higher the cost of the license.

1.2 Number of users – an increase in the number of users causes an increase in the number of licenses required resulting in the slight increase of the cost of the subscription.

All Microsoft licenses were procured during July and August 2018.

### **Veeam backup software (for backups)**

Veeam backup software licenses are paid for annually. The anniversary date for the licenses is on the 1st November of each year. The annual subscription fee for the backup software was procured during the month of July 2018.

### **Eset Endpoint Protection (Antivirus)**

The municipality utilizes an antivirus program called Eset Endpoint Protection as a line of defense for the municipality's computers and Windows servers. The antivirus software license is also paid on an annual basis. The annual subscription fee for the backup software was procured during the month of July 2018.

### **AD Manager**

The Municipality is using AD Audit Plus software to audit user access rights, and violation. To monitor user activities. To extract audit of all activities in Municipal ICT environment.

### **Fortigate firewall and FortiCloud license**

The Municipality is utilizing Fortigate Firewall to restrict, prevent unauthorized access and filter incoming and outgoing traffic within the municipal network. We also use FortiCloud to pull violation reports on our FortiCloud. The ICT Unit purchased 2 x Fortigate 101E firewalls (1 passive and 1 failover).

## **COMMENTS ON THE INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)**

The Harry Gwala District Municipality continues to upgrade its ICT equipment and infrastructure in order to provide quality services to its customers, the general public and the residents within and around the District. By licensing the municipal software and upgrading outdated ICT equipment, **the users** of technology (e.g. desktops, laptops, printers, tablets, smart-phones) are able to efficiently communicate by means of emails, telephones, social media and the website. This also enables the users to meet the demands of the Municipality. The website ([www.harrygwalamunicipality.gov.za](http://www.harrygwalamunicipality.gov.za)) has proven to be a useful communication tool due to the results which appear on the statistics of the website. Members of the community, government departments, the private sector, etc. interact with the website by browsing, downloading content, publishing feedback and interacting with the social network quick-links which are found on the website. In addition, individuals are also able to access documentation which has been uploaded as prescribed by legislation.

On the 28 June 2019, the Harry Gwala District Municipality Council approved and adopted a number of revised ICT policies, procedures and plans. These included the Information Systems and Security Policy, the Backup Plan, the Master Systems Plan, the Logical Access Management Policy, the Firewall Policy, the Disaster Recovery Plan, The Business Continuity Plan, the Change Management Procedure, the ICT Governance Framework and the Server Room Standards.

The Municipality will continue to keep abreast with current and new technologies and adhere to leading practices in order to host and protect all municipal information and data. Currently, the Municipality is upgrading its internet to enhance connectivity and employee productivity.

### **ICT Policies**

1. Information Systems and Security (ISS) Policy
2. Backup Plan
3. Master Systems Plan
4. User Access Management / Logical Access Management Policy
5. Firewall Policy
6. Disaster Recovery Plan
7. Business Continuity Plan
8. Change Management Policy and Procedure
9. ICT Governance Framework
10. Server Room Maintenance Plan
11. ICT Risk Management Framework
12. Information Tech Scorecards

13. Information Technology RACI Matrix

### Comments on the Performance of Human Resource

The positions of Section 54A and 56 Managers have been filled, with the exception of the Executive Director: Social Services and Development Planning. The position was vacated on the 31 May 2019, an advert will be published in July 2019.

The vacancy rate in the municipality as per the approved organizational structure (2018/2019) is depicted below:

- Total number of posts filled 359
- Vacant posts (funded) 93 as at 30 June 2019
- Frozen posts (unfunded) 379
- **Total in structure 831**

The vacancy rate for 2018/2019 based on the funded vacant positions was 4.6%. The total staff turnover in 2018/2019 was 46 (including 11 interns) employees which is 13.03%.

### Human Resource Management & Development Strategy and Implementation Plan

The purpose of the Human Resource Management & Development Strategy and Implementation plan is to outline key interventions to be undertaken by the municipality in ensuring that it has the right number of people, with the right composition and with the right competencies, in the right places to enable it to deliver on the mandates and achieve its strategic goals and objectives. HR strategic planning is about determining the demand and supply of employees that are critical to achieving strategic objectives, analysing the gap between the demand and supply and developing a plan that seeks to close the gap.

As the Harry Gwala District Municipality aims to consolidate the solid gains of the last five years and offer better quality services and performance such as exemplary political and administrative governance, it is crucial to build human resource capital to support the needs of the five year IDP.

In order to ensure that the municipality makes the best possible use of its resources to attain its commitments and program objectives set out in the IDP and SDBIPs, the municipality needs to have in place a well-structured HRM & HRD Strategy and an Implementation Plan. The strategy informs the decision-makers on the three critical issues:

- current *supply* of human resources;
- human resources *demand*, as well as
- Prioritised and *strategic HR actions* to be taken.

The Human Resource Management and Development Strategy represents the first step in transforming Human Resource Management and Development within the Municipality and is an attempt at defining the future status.

## Skills Development

The Harry Gwala District Municipality has developed a Workplace Skills Plan to address the skills and competency needs of its Employees, Councilors and Traditional Leaders. The Workplace Skills Plan and the Annual Training Report were submitted to the LGSETA on 25<sup>th</sup> April 2019.

In the 2018/2019 financial year, Harry Gwala District Municipality planned and implemented the following training and development interventions:-

### Training Program s

<b>Name of the learning Program</b>	<b>Number of beneficiaries</b>	<b>Type of learning Intervention</b>	<b>Period of training</b>
Records Management	03 Employees	Skills Program	July 2018 and September 2018
Accredited Woman Training Programs	11 Councillors	Skills Program	July 2018
Reading Financial Statements	06 Councillors	Short Course	July 2018
Integrated Councillor Induction Programs Phase 2	04 Councillors	Skills Program	October 2018
Internal Auditor Training	02 Employees	Workshop	October 2018
Review of Financial Statements	01 Employee	Workshop	October 2018
Windows Server 2016	06 Employees	Short Course	November 2018, and April to May 2019
Payday Payroll Training	04 Employees	Short Course	November 2018
Basic Computer Training	10 Councillors	Skills Program	November 2018
Intermediate Computer Training	10 Councillors & 03 Traditional Leaders	Skills Program	November 2018
Payday Systems Admin Training	01 Employee	Short Course	November 2018
Revenue Summit	04 Employees	Workshop	November 2018
Protocol & Etiquette Workshop	13 Councillors & 01 Traditional Leader	Workshop	May 2019
Minimum Service Agreement Workshop	14 Employees	Workshop	May 2019
Gap Skills Training	02 Employees	Workshop	June 2019

## Bursaries

Name of the program	Number of Beneficiaries	Department	Name of the Institution
Masters in Town and Regional	01 Employee	Social Services and Development Planning	University of Pretoria
Postgraduate Diploma: Business Management	01 Employee	Social Service and Development Planning	MANCOSA
Honours: Public Administration	04 Employees	Water Services, Corporate Services and Infrastructure Services	MANCOSA
Masters: Business Administration	02 Employees	Corporate Services and Office of the Municipal Manager	Nelson Mandela University
Masters: Public Administration	01 Employee	Social Services and Development Planning	University of KwaZulu Natal
Bachelor In Public Administration	03 Employees	Social Services and Development Planning and Corporate Services	MANCOSA
Advanced Diploma: Municipal Administration	01 Employee	Budget and Treasury	University of Western Cape
National Diploma: Public Administration	01 Employee	Water Services	Esayidi FET College

## Employment Equity

The Employment Equity Plan for the period starting 1 October 2017 - 30 September 2022 was adopted by Council on 27 February 2018.

The Employment Equity Report of the HGDM was completed in the 2018/19 reporting period and was submitted to the Department of Labour on / before the 15<sup>th</sup> of January 2019.

Below is the current municipal employee profile in the Harry Gwala District Municipality:

- Africans: 97.0 %
- Coloureds: 2.1 %
- Indians: 0.3 %
- Whites: 0.6 %
- People with Disabilities: 1.09%

### **Comments on the performance of Corporate Services for 2018/2019**

The Corporate Services Department provides administrative and corporate support services to all Departments within Harry Gwala District Municipality. The Department is comprised of these Units: Administration and Corporate Support, Records Management, Fleet Management, Information and Communication Technology, Human Resource and Development, Occupational Health and Safety, and Communications. The Department sets its performance targets based on the Integrated Development Plan and other relevant documents, which are at the disposal of the municipality. We complied with other legislation, for example, we submitted our Workplace Skills Plan timeously to the Local Government Sector Education and Training Authority and all the parties have agreed and appended their signatures and submitted the Employment Equity Report to the Department of Labour on/before the due dates.

Although the Department struggled to meet some of its targets for the year due to financial constraints, there were those targets that we exceeded on like producing a resolution register for Council in order to track progress made in implementing those resolutions; providing on-time responses to negative publicity; continuously verifying employee qualifications from Senior Management to lower level employees; functionality of the Information and Communication Technology Steering Committee; and last but not least, consistently reporting on the use of municipal vehicles and costs incurred thereof.

**COMPONENT D: SOCIAL SERVICES AND DEVELOPMENT PLANNING (SSDP) DEPARTMENT**

**Employees: Social Services and Development Planning**

Job Level	FY 2017-2018	FY 2018-2019		
	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
<b>Grade A 1-3</b>	0	1	4	1
<b>Grade B 1-5</b>	3	0	11	0
<b>Grade C 1-5</b>	13	2	11	2
<b>Grade D 1-5</b>	10	2	11	1
<b>Grade E 1-2</b>	5	5	5	0
<b>No grade</b>	1	1	1	1
<b>Total</b>	32	11	43	5

**Financial Performance 2018-2019 Social Services and Development Planning**

Details	F/Y 2017/2018	F/Y 2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
Total Operational Revenue					
Expenditure:					
Employees	R 18 120 284	R26,630,527	R26,630,527	R20,894,776	R 5,735,751
Repairs and Maintenance					
Other	R 17 315 696	R27,227,211	R27,227,211	R25,262,203	R 1,965,008
Total Operational Expenditure	R 35 435 980	R 53 857 738	R 53 857 738	R 46 156 979	R 7 700 759
Net Operational Expenditure	R 35 435 980	R 53 857 738	R 53 857 738	R 46 156 979	R 7 700 759

**Comments on the Performance of Social Services and Development Planning in 2018-2019 Financial Year**

**DEVELOPMENT PLANNING UNIT**

As the Municipal Systems Act and Spatial Planning and Land Use Management Act (SPLUMA) requires Municipalities to prepare Spatial Development Framework (SDF), HGDM has complied with this legislative requirement. The SDF was submitted to the Department of Corporative Governance for credibility assessment. In an effort to comply with the Spatial Data Infrastructure Act, the municipality has increased its Geographic Information System capacity. This initiative aims at improving the spatial referencing of infrastructure projects, asset management and revenue enhancement. The municipality has concluded the technical process of preparing the Environmental Management Framework (EMF) which is now undergoing approval processes. Through this environmental management tool, the municipality will have a detailed guide for the formulation of Land Use Schemes and inform environmental authorization processes.

Emanating from the District Growth and Development Summit that was held in May 2018, the Harry Gwala District Municipality, Local Municipalities and affected stakeholders worked on the resolutions of the Summit to finalize the review of the District Growth and Development Plan. The Council, in its sitting in March 2019, approved the revised DGDP as the long term strategic development document for the district family of municipalities. The DGDP is also now more aligned with the Provincial Growth and Development Strategy/Plan. In partnership with the Department of Rural Development and Land Reform, the HGDM has finalized the review the District Rural Development Plan which will guide the Department of acquisition of land and reform projects.

## **SPECIAL PROGRAMS UNIT**

### Youth

The following are a list of items or Programs that were delivered by HGDM youth unit.

- **Back to school Program:** The back to school Program is an initiative that was conducted hand in hand with the office of the Mayor and other relevant stake holders. The aim was to check if all schools visited were ready for the New Year and that teaching and learning had commenced on the very first day.
- **Cuban Bursaries:** 5 students from Harry Gwala District have been awarded these bursaries the aim is to pay R30 000 per student to assist them with learning aids.
- **TVET LP06:** This was a partnership with Services SETA, Malitine and HGDM which gave 26 TVET students the opportunity to get their in-service training while working with an official from Harry Gwala DM as their mentor. The program is to last 18 months.
- **ETDPSETA** – this Program is done in partnership with the District Municipality the University of Venda and Office of the Premiere where by the local youth (Matriculants) is given learning opportunities in the Environmental Sector for a period of 12 months which include lives practical with in the family of municipalities in HGDM, such a program enables the Youth who have a passion in Environmental Management to participate in furthering their knowledge further advocate preservation of our Environment for the next generation also equipping them with a skill that could benefit them when employment opportunities arise.
- **Youth Council Launch** – the HGDM launched the District Youth council which will all programs that are related to youth development in the district.

- **District Youth Summit** – The youth summit convened to review the youth empowerment plan for the district as well create a programs of action for the next 5 years.

### Sport and Development

Sport & Recreation Unit is responsible for the development of sport within the district as well as encouraging the culture of play within adults and young people of Harry Gwala District. The unit encourages communities to promote social cohesion amongst its citizens through sport activities. Sport has been witnessed as one of the main drivers of social cohesion amongst communities i.e. soccer world cup that took place in 2010. Sport and Recreation helps to reduce crime and create good behavior in young people. Sport is also used as a remedy of improving health to improve healthy lifestyles and reduce a number of diseases to people.

Programs performed by the unit:

- Rural Horse Riding Festivals
- Indigenous Games
- Mayoral Games
- SALGA KZN-DSR Games
- Harry Gwala District Marathon

Sport and Recreation Unit in Harry Gwala works in collaboration with the Provincial Department of Sport and Recreation and the Department of Education (School Sport) within the jurisdiction of Harry Gwala. Over the years, Harry Gwala District Municipality has improved on a number of sporting activities even though they are experiencing a lack of sport facilities within the District. The municipalities always participate in Provincial competitions like SALGA KZN-DSR Games, Indigenous Games, Rural Horse Riding and Marathon. Harry Gwala District displayed an improvement in some of sport codes i.e. Dance, Swimming, Football, Netball, Rugby, Tennis and Cricket in the past few years. The municipality is in a process of negotiating with different stakeholders to solicit assistance where there is a challenge (i.e. federations and the department of sport and recreation) Harry Gwala District Municipality is planning to solicit funds to construct facilities especially on sports that are predominantly played in urban areas e.g. swimming, rugby, tennis, and cricket.

Once again the federation of Netball in Harry Gwala managed to produce very good results and went on to the Netball Championships held in Cape Town where they produced number 1 in the country.

Harry Gwala District Municipality in conjunction with Kwa-Zulu Natal Department of Sport & Recreation and Nkosazana Dlamini Zuma Municipality hosts annual event, Harry Gwala Summer Cup Festival since 2010 (Horse Riding) that grows gradually each and every year.

Harry Gwala also hosts Marathon since 2015 and it attracts a number of participants from South Africa as a whole even from Countries outside the borders of South Africa i.e. Zimbabwe, Lesotho, Kenya, Zambia, Namibia, Malawi and etcetera. In 2019, Harry Gwala District Municipality was able to maintain its great prizes for the position 01

from both males and females were awarded with vehicles, furthermore included prizes for Government official as well councilors that participated in the Marathon.

## **SOCIAL SERVICES UNIT**

Social Services is a makeup of two units namely Disaster Management and Municipal health Services, and during the 2018/2019 financial year the directorate set out to achieving 5 planned targets and in order to meet some of its regulated objectives which was achieved.

### Disaster Management

As a Municipality we have a responsibility of creating a habitable environment for all our people. With the changing weather patterns that are a direct result of global warming, legislative prescripts require that we become proactive and ensure institutional arrangement are in place by ensuring we have a fully functional disaster management centre that, as a district, we are fully prepared to respond with speed and agility to communities affected by disasters or incidents. Our district is prone to heavy winds, hail storms, road accidents, drought, snow and thunderstorms, which in many cases turn to display many communities.

### **Activities undertaken during 2018/2019**

- ✓ Disaster management awareness campaigns conducted – 12 awareness's conducted
- ✓ Preparation of disaster management plans – Plans submitted to council
- ✓ Effective response to disasters – Disaster management Volunteers & Practitioners effectively responded to all incidents reported
- ✓ Disaster Management Relief material – Relief material was procured and made available as and when needs assessment was established through assessment.
- ✓ Declaration of Disaster was submitted to COGTA PDMC where the District Municipality including the Local were unable to give any assistance beyond their limited resources. Which intern had the MEC declare a state of disaster for the Metro and District Municipalities that were affected by the April 2019 heavy rain. The Municipality received an amount of about 7m to assist the displaced families in Greater Kokstad Local Municipality.
- ✓ Joint Disaster management advisory & Municipal Health Services Forum – the forum is fully functional and 4 meetings held per quarter and assisted in all incidents reported through by the stakeholders.
- ✓ Disaster Management significantly improved its Disaster Management Sector Plan to scoring 4 being number 2 in the province with regards to the articulation of disaster management activities and alignment to the IDP.

### Municipal Health Services

The Municipal Health Services is aimed at enforcement of legislative prescript as well educate communities on preventative measures in relation, Business premises inspections education awareness on communicable diseases such as Rabies, Cholera, Malaria, listeriosis and other to prevent the spread of diseases, water quality monitoring in

our communities to ensure a safe and healthy environment through compliance in the formal business sector and informal traders

#### **Activities undertaken 2018/2019**

- ✓ Inspections conducted – 261 inspections conducted
- ✓ Street traders training conducted and food handlers – 5 streets traders training conducted in all four local Municipalities
- ✓ Communicable diseases cases received – all diseases notifications from the Department of health were attended to, and these were mainly food poisoning cases especially from Umzimkhulu local municipality.
- ✓ In total there were 16 Health and Hygiene Awareness's, inclusive of 4 Clean-up campaigns have been conducted throughout the District Municipality.
  
- ✓ There was one Chemical poisoning case that was from Ubuhlebezwe local municipality that was investigate and awareness was conducted for the family to prevent such happening in the future.
- ✓ Fortunately in all the cases mentioned there were no fatalities, and EHPs were able to conduct integrated Health and Hygiene awareness's with other stakeholders such as Disaster Management, Departments of Health, Water and Sanitation and Local municipalities.
- ✓ Number of water samples taken for analysis – 228 water samples was taken for analysis as part of ensuring the water is fit for human consumption
- ✓ Municipal health Services By-Laws on Tariff of Charges were gazetted on the 9<sup>th</sup> of May 2019 for implementation on the 2019/2010 financial year.
- ✓ One Exhumation has been conducted in Nxaphanxapheni location, under the supervision of 2 EHPs and a Community Service EHP allocated to Harry Gwala District Municipality. The Municipality continues to ensure proper dignified disposal of the dead and further support the destitute in burial of their family members as well the pauper.
- ✓ Two Additional staff members have been employed to add to the capacity of the present staff, the municipality is in the business of ensuring effective and quality service delivery.
- ✓ Sampling equipment for MHS was procured for the benefit of ensuring the quality of the Water is obtained at its compliance level.

#### **INTEGRATED DEVELOPMENT PLAN AND PERFORMANCE MANAGEMENT UNIT (IDP/PMS)**

The 2018-2019 financial year has been a challenging year for the IDP/PMS Unit. The resignation of the PMS Specialist left the unit struggling particularly on PMS. This has resulted in the unit failing to maintain its unqualified audit opinion from the auditor general, instead circling for a qualification. One indicator from water services department led to this opinion. It is worth noting that this indicator has been recrafted to make sure that evidence to support its target is credible and is verifiable. In 2018-2019 financial year the unit working together with departments will work

hard in ensuring that the municipality moves away from an unqualified opinion to a clean audit or an unqualified audit opinion.

However, the unit manage to redeem itself in the IDP section as it moved from 73% to 74% in relation to the credibility of HGDM IDP credibility. This has seen the municipality ranked at the top ten of best performing municipality by the KZN Cogta in relation to the production and compilation of the IDP.

**COMPONENT E: OFFICE OF THE MUNICIPAL MANAGER**

**Employees: OFFICE OF THE MUNICIPAL MANAGER**

Job Level	FY 2017-2018	FY 2018-2019
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	No. of Employees	No. of Funded Posts	No. of Employees	No. of Vacancies
Grade A 1-3		0	0	0
Grade B 1-5		0	1	0
Grade C 1-5		4	2	2
Grade D 1-5		2	2	2
Grade E 1-2		0	3	0
No grade				
<b>Total</b>		<b>6</b>	<b>8</b>	<b>4</b>

**Financial Performance Year 2018-2019: OFFICE OF THE MUNICIPAL MANAGER**

Details	FY 2017-2018	FY 2018-2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
<b>Expenditure:</b>					
Employees	0	R 10 149 945	R 11 641 521	R 6 652 920	R 4 988 601
Repairs and Maintenance	0	0	0	0	0
Other	0	R 3 727 912	R 3 688 477	R 3 704 095	-R 15 618
<b>Total Operational Expenditure</b>		<b>R 13 877 857</b>	<b>R 15 329 998</b>	<b>R 10 357 015</b>	<b>R 4 972 983</b>
<b>Net Operational Expenditure</b>		<b>R 13 877 857</b>	<b>R 15 329 998</b>	<b>R 10 357 015</b>	<b>R 4 972 983</b>

**Comments on the Performance of the Office of the Municipal Manager in 2018-2019 Financial Year**

Harry Gwala District Municipality is responsible mainly for the provision of water and sanitation. In-order for the District Municipality to fulfill its legislative mandate the municipality has the following Departments:

- Water Services Department

- Infrastructure Services Department
- Financial Services Department
- Corporate Services Department
- Social Services and Development Planning

Based on the above, the office of the Municipal Manager is responsible for the overall performance of the Municipality in terms of the approved Integrated Development Plan, Budget and the Service Delivery and Budget Implementation Plan.

The Office of the Municipal Manager is also responsible for Risk Management, Internal Auditing, Strategic Support and Legal Services.

On Risk Management, the Municipality has a fully functional Risk Management Unit which is responsible for all the risk management activities, including risk assessments, compilation of the risk register and the assessment of progress regarding the implementation of risk management mitigation plans. In line with the approved Integrated Development Plan for the financial year 2018/2019, the Municipality had an approved Risk Management Strategy, Risk Management Policy, Fraud Prevention Strategy and Policy. All these policies and strategies have been developed using internal capacity. The top five risks in 2018/2019 are as follows:

1. Inability to provide sufficient portable water
2. Failure to account for water losses
3. Vulnerability to drought
4. Failure to fund assets and meet financial obligation/financial sustainability
5. Failure to deliver infrastructure within reasonable time frames

For all the identified risks, the municipality has implemented specified action plans to try and mitigate the risk. The Risk Management Unit reports on quarterly basis to the Executive Committee, Council, Audit Committee and MPAC (Municipal Accounts Committee) on the implementation of the Risk Mitigation Plans. To augment the work of the Risk Management Unit, the Municipality has a Risk Management Committee which is chaired by the Municipal Manager. The Risk Management Committee creates a platform administratively to engage with the Risk Management Reports before they are submitted to the Council and its oversight structures. The Risk Management Committee were convened quarterly basis as follows:

Risk Management Meetings were held on:

Quarter 1: 27 August 2018

Quarter 2: 07 November 2018

Quarter 3: 28 January 2019

Quarter 4: 14 June 2019

On Internal Audit, the Municipality has a fully functional Internal Audit Unit that has a three year rolling Audit Plan. During the period under review the Internal Audit Unit had the following Internal Audit Assignments during the financial year under review.

<b>NO</b>	<b>AUDIT ASSIGNMENT</b>	<b>PROGRESS</b>
1.	Asset Management	Completed
2.	Supply Chain Management	Completed
3.	Revenue Management	Completed
4.	Payroll Management	Completed
5.	Project Management	Completed
6.	Water Management	Completed
7.	Disaster Management	Completed
8.	IT general controls	Completed
9.	Fleet Management	Completed
10.	Budgeting and Reporting	Completed
11.	Expenditure Management	Completed
12.	Human resources management	Completed
13.	Control accounts reconciliations	Completed
14.	Environmental Health Management	Completed
15.	Performance Management	Completed
16.	Financial Statements Review	Completed
17.	Grants Management	Completed
18.	Follow-up on internal audit queries	Completed
19.	Auditor General Follow-up	Completed
20.	Key Control Checklist	Completed
21.	Review of annual report	Completed
22.	Risk Management	Completed

The municipality has a functional Audit Committee which is convened quarterly. The Audit Committee had an approved Audit Charter guiding their performance. The Audit Committee monitors the work of the Internal Audit Unit, assesses the effectiveness of the internal control environment and monitors the implementation of action plans aimed at addressing unresolved internal and external audit queries and advise Council on the effectiveness of the internal control environment. The Audit Committee also engages on risk management matters, Performance related information and financial reports.

The Audit Committee Meetings for the financial year under review were held as follows:

Quarter 1: 20 July 2018, 14 August 2018 and 21 August 2018

Quarter 2: 21 November 2019

Quarter 3: 11 February 2019

Quarter 4: 15 April 2019 and 19 June 2019

Operation Sukuma Sakhe (OSS) and HIV/Aids still remain our priority programs. The Municipality has a dedicated OSS Coordinator and HIV and Aids Coordinator. The Municipality, together with its Local Municipalities have continued to prioritize OSS in ensuring that all the war rooms are fully functional. During the financial year under review, the Municipality in partnership with its Local Municipalities and the Department of Human Settlement have hosted three Local OSS Operation Mbo and one District Operation Mbo. together with four (4) HIV/Aids awareness programs were held in partnership with other stakeholders. The OSS District Task Team and District Aids Council are fully functional and convened on quarterly basis.

The Municipality has a news-letter which captures progress on the implementation of the various municipal programs including infrastructure projects. The Municipality has a face book account and a twitter handle. These are critical communication platforms where the Municipality shares new developments and current affairs with the community of Harry Gwala District Municipality. There is also a live website with useful information about the Municipality.

The Legal Services Unit deals only with legal matters. The Unit has reviewed the Standing Rules and Orders of Council and are continuously attending to municipal Legal Matters and reviewing of the Service Level Agreements.

**CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

**COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE**

**4.1 Employee total turnover and vacancies**

The information cited hereunder is as per the organizational structure approved on the 2 October 2018.

<b>EMPLOYEES</b>					
Description	FY 2017/18		FY 2018/19		
	No. of Employees	No. of Approved Positions	No. of Employees (excluding Interns)	No. of Vacancies	Vacancies (as a % of Total Posts)
Office of the Municipal Manager	109	16	11	5	1.06%
Budget & Treasury Services	61	90	57	33	6.99%
Water Services	174	563	188	375	79.45%
Corporate Services	47	68	51	17	3.60%
Social Services and Development Planning	36	60	34	26	5.51%
Infrastructure Services	14	34	18	16	3.39%
<b>Total</b>	<b>341</b>	<b>831</b>	<b>359</b>	<b>472</b>	<b>100%</b>

Vacancy Rate as per the categories stated below: 2018/19			
Description	Total No. of Approved Posts	Vacancies	Vacancies (as a % of total posts per category)
Municipal Manager	1	0	0%
CFO	1	0	0%
s.57 Managers (excluding Finance)	3	1	33%
Highly skilled supervision: levels 9-12 (excluding Finance)	120	35	29.16%
Highly skilled supervision: levels 9-12 (Finance posts)	24	7	29.16%

#### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 67 of the MSA states that "A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72(l)(c), to ensure fair, efficient, effective and transparent personnel administration..." This component cites the range of workforce management and progress made in the development of workforce policies and management practices during FY 2018 /19.

## 4.2 POLICIES AND PLANS

HR Policies and Plans				
	Name of Policy	% Complete	% Reviewed	Date Adopted by Council or Comment on Failure to Adopt
1)	Acting in higher position	100%	N/A	Adopted on the 28 June 2019.
2)	Annual leave policy	100%	N/A	Adopted on the 28 June 2019.
3)	Bursary policy	100%	N/A	Adopted on the 28 June 2019.
4)	Death in Service	100%	N/A	Adopted on the 28 June 2019.
5)	Disciplinary & Grievance policy	100%	N/A	Adopted on the 28 June 2019.
6)	Employee wellness policy	100%	N/A	Adopted on the 28 June 2019.
7)	Experiential training policy	100%	N/A	Adopted on the 28 June 2019.
8)	Family responsibility leave	100%	N/A	Adopted on the 28 June 2019.
9)	HIV and AIDS policy	100%	N/A	Adopted on the 28 June 2019.
10)	Induction policy	100%	N/A	Adopted on the 28 June 2019.
11)	Internal transfer policy	100%	N/A	Adopted on the 28 June 2019.
12)	Internship policy	100%	N/A	Adopted on the 28 June 2019.
13)	Learnership policy	100%	N/A	Adopted on the 28 June 2019.
14)	Occupational health and safety policy	100%	N/A	Adopted on the 28 June 2019.
15)	Overtime policy	100%	N/A	Adopted on the 28 June 2019.
16)	Parental leave	100%	N/A	Adopted on the 28 June 2019.
17)	Probation leave	100%	N/A	Adopted on the 28 June 2019.
18)	Recruitment and selection policy	100%	N/A	Adopted on the 28 June 2019.
19)	Scarce & Critical skill policy	100%	N/A	Adopted on the 28 June 2019.

<b>20)</b>	Sexual harassment policy	100%	N/A	Adopted on the 28 June 2019.
<b>21)</b>	Sick leave	100%	N/A	Adopted on the 28 June 2019.
<b>22)</b>	Skills development policy	100%	N/A	Adopted on the 28 June 2019.
<b>23)</b>	Staff appointment policy	100%	N/A	Adopted on the 28 June 2019.
<b>24)</b>	Standby policy	100%	N/A	Adopted on the 28 June 2019.
<b>25)</b>	Study leave policy	100%	N/A	Adopted on the 28 June 2019.
<b>26)</b>	Subsidized motor vehicle scheme	100%	N/A	Adopted on the 28 June 2019.
<b>27)</b>	Termination of service policy	100%	N/A	Adopted on the 28 June 2019.
<b>28)</b>	Travel and subsistence policy	100%	N/A	Adopted on the 28 June 2019.
<b>29)</b>	Attendance and Punctuality Policy	100%	N/A	Adopted on the 28 June 2019.
<b>30)</b>	Dress Code Policy	100%	N/A	Adopted on the 28 June 2019.
<b>31)</b>	Employment Equity Policy	100%	N/A	Adopted on the 28 June 2019.
<b>32)</b>	Incapacity: Due to Ill Health/Injury Policy	100%	N/A	Adopted on the 28 June 2019.
<b>33)</b>	Incapacity: Due to poor performance Policy	100%	N/A	Adopted on the 28 June 2019.
<b>34)</b>	Injury on duty Policy	100%	N/A	Adopted on the 28 June 2019.
<b>35)</b>	Mentorship and Coaching Policy	100%	N/A	Adopted on the 28 June 2019.
<b>36)</b>	Private Work and Declaration of Interest/s Policy	100%	N/A	Adopted on the 28 June 2019.
<b>37)</b>	Smoking Policy	100%	N/A	Adopted on the 28 June 2019.
<b>38)</b>	Task Job Evaluation Policy	100%	N/A	Adopted on the 28 June 2019.
	<b>Strategies/ Plans</b>			
<b>1)</b>	Integrated Employee Health & Wellness Strategy	100%	N/A	Adopted on the 28 June 2019.
<b>2)</b>	HRM & HRD Strategy and Implementation Plan	100%	N/A	Adopted on the 28 June 2019.
<b>3)</b>	Employment Equity Plan	100%	N/A	Adopted on the 28 June 2019.

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

There were 43 days lost when nine of our employees were injured at work and there were 15 days lost when one employee was injured, she suffered temporary disablement. There was no permanent and fatality in the 2018/2019 financial year. Some employees required proper medical attention (Hospitalization) whilst some only required basic medical attention. Those employees had to be referred to a registered Medical Practitioner for assessment.

##### ***Steps taken to reduce injuries:***

The municipality has appointed a service provider to assist with Health and Wellness matters for employees. The service provider is promotes health and wellness as stipulated in the Intergrated Health and Wellness Strategy where employees are encouraged about living healthy lifestyle so that they can be fully fit at work.

The municipality has procured signs which included warning signs as recommended by Department of Labour inspectors.

The municipality has done a risk assessment which was basically to identify hazards and associated risks, management recommendations were made so to minimise risks.

The municipality has provided Employee Protective Clothing for those hazards that employees are exposed to which cannot be eliminat

**Number and Cost of Injuries on Duty**

Type of Injury	Injury Leave Taken (Days)	No. of Employees Using Injury Leave	% Proportion of Employees Using Sick Leave	Average Injury Leave per Employee
<b>Required basic medical attention only</b>	43	09		
<b>Temporary disablement</b>	15	01		
<b>Permanent disablement</b>	0	0		
<b>Fatal</b>	0	0		
<b>Total</b>	<b>58</b>	<b>10</b>		

Number of days and Cost of sick leave (excluding Injuries on Duty)				
Salary band	Total Sick Leave Days	No. of employees using sick leave	Total no. of employees in post	Average sick leave per employee (Days)
Lower skilled (Levels 1-2)	214	35	169	6
Skilled (Levels 3-5)	170	13	56	13
Highly skilled production (Levels 6-8)	176	30	53	5.7
Highly skilled supervision (Levels 9-12)	251	32	40	7
Senior management (Levels 13-15)	208	19	36	10
MM and s.57	5	1	5	5
<b>Total</b>	<b>1024</b>	<b>130</b>	<b>359</b>	<b>7</b>

It should be noted that the "Total Number of Employees in Post" refers to the number of employees in post at the beginning of the FY 2017/2018.

## DISCIPLINARY CASES

Disciplinary Action Taken on Cases of Financial Misconduct				
EMPLOYEE	ISSUE	STATUS	DATE	COMMENT
Director: Expenditure	Financial Mismanagement	Disciplinary Process	June 2019	N/A
Chief Accountant: Expenditure	Gross Dishonesty	Disciplinary process	June 2019	N/A
Accountant: Salaries	Gross Dishonesty	Resigned during Disciplinary Hearing	February 2019	Employer following Financial Recovery Process
Senior Clerk: Salaries	Financial Mismanagement	Disciplinary Process	June 2019	N/A
Cashier	Gross Dishonesty	Disciplinary Process	June 2019	N/A
ISD Officer	Gross Dishonesty	Disciplinary Process	June 2019	N/A

## SUSPENSIONS

Number and Period of Suspensions				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
Director: Expenditure	Financial misconduct	26/01/2017	Disciplinary Process	N/A
Chief Accountant: Expenditure	Financial misconduct	26/01/2017	Disciplinary Process	N/A

Accountant: Salaries	Financial misconduct	26/01/2017	Resigned during Disciplinary process	N/A
Senior Finance Clerk: Salaries	Financial misconduct	26/01/2017	Disciplinary Process	N/A
Cashier	Financial misconduct	23/06/2017	Disciplinary Process	N/A

#### DISMISSALS / DISCIPLINARY CASES IN PROGRESS

Position	Nature of alleged misconduct	Disciplinary action taken	Date dismissed
Plumber	Abuse of municipal vehicle	Yes	In progress
General Assistant	Abuse of municipal vehicle	Yes	In progress
Director: Operations and Maintenance	Dishonesty	Yes	Resigned before finalization of the disciplinary process

#### 4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Gender	Total No. of Employees in Group	No. of Beneficiaries	Expenditure on Rewards FY 2017/2018 (R'000)	% Proportion of Beneficiaries Within Group
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0

	Male	0	0	0	0
Highly skilled production (Levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (Levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and s.57	Female	0	0	0	0
	Male	0	0	0	0
<b>Total</b>		0	0	0	0

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

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

Section 68 of the MSA requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Harry Gwala District Municipality conducts its training through the Work Place Skills Plan. In the 2018/2019 financial year, 62% of the training budget was utilized. The under expenditure was caused by the Councilor commitments. It is worth noting that the current budget is inadequate to train the affected staff.

In accordance with the National Treasury: Local Government: MFMA Competency Regulations, progress in the HGDM financial competency development is as follows:

<b>Financial Competency Development: Progress Report</b>						
Description	A. Total no. of official employed by HGDM	B. Total no. of official employed by HGDM Entities	Consolidated Total (A+B)	Consolidated competency assessments completed for A & B	Consolidated no. of officials whose performance agreements comply with Reg. 16	Consolidated no. of officials who meet prescribed competency levels
<b>Financial Officials</b>						
Accounting officer	1	1	2	1	2	1
Chief financial officer	1	1	2	0	2	1
Senior managers	3	2	6	2	3	3
Any other officials	18	0	18	18	0	18
<b>Supply Chain Management Officials</b>						
Heads of SCM unit	1	0	1	1	0	1
SCM senior managers	0	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>4</b>	<b>29</b>	<b>22</b>	<b>7</b>	<b>24</b>

Management level	Gender	Employees as at beginning of 2018/2019	Learnerships		Skills Program s, Bursaries & Other short Courses		Other Forms of Training		Total	
					Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
		No.								
MM & s57	Female	3			50000	60000	10000	0	60000	60000
	Male	2			20000	0	10000	0	30000	0
Legislators, senior officials and managers	Female	14			150000	199907	15000	10072	165000	209979
	Male	23			100000	164292	15000	5999	115000	170291
Professionals	Female	21			55000	58000	20000	19051	75000	77051
	Male	31			20000	25000	10000	7812	21000	32812
Technicians and associate professionals	Female	35			10000	0	5000	0	15000	0
	Male	29			10000	0	5000	0	15000	0
Clerks	Female	15			45000	48200	10000	0	55000	48200
	Male	11			20000	8000	25000	16744	45000	36744
Service and sales workers	Female	19			20000	0	15000	0	35000	0
	Male	30			50000	15000	10000	0	60000	15000

Plant and machine operators and assemblers	Female	15			10000	0	10000	0	20000	0
	Male	21			20000	0	15000	0	35000	0
Elementary occupations	Female	38			20000	0	10000	0	30000	0
	Male	53			30000	0	15000	0	45000	0
Sub-total	Female	160			360000	366107	95000	29123	455000	395230
	Male	200			270000	212292	90000	30555	360000	242847
<b>Total</b>		360			630000	578399	185000	59678	841500	638077
<b>Total budget for training and development 2018/19</b>								<b>R750 000</b>		
<b>% and R value of municipal salaries (original budget) allocated for workplace skills plan</b>										

Skills Development Expenditure (R'000)										
Original Budget & Actual Expenditure on Skills Development										
Management level	Gender	Employees as @ beginning of FY2017/2018	Learnerships		Skills Programs, Bursaries & Other short Courses		Other Forms of Training	Total		
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM & s57	Female	3			50 000	30000			50000	30000
	Male	3			50 000	30000			50000	30000
Legislators, senior officials and managers	Female	27			150000	275000			150000	275000
	Male	32			150000	275000			150000	275000
Professionals	Female	29			80000	90000			80000	90000
	Male	17			70000	80000			70000	80000
Technicians and associate professionals	Female	9			60000	80000			60000	80000
	Male	41			140000	200000			140000	200000

Clerks	Female	39			300000	306000			300000	306000
	Male	10			100000	102000			100000	102000
Service and sales workers	Female	3			30000	60000			30000	60000
	Male	0			0	0			0	0
Plant and machine operators and assemblers	Female	0			0	0			0	0
	Male	10			200000	150000			200000	150000
Elementary occupations	Female	63			160000	200000			160000	200000
	Male	84			340000	682000			340000	682000
Sub-total	Female	173								
	Male	197								
<b>Total</b>		370			1880000	2560000			1880000	2,560 000
<b>Total budget for training and development 2017/18</b>								<b>R1, 200 000.00</b>		
<b>% and R value of municipal salaries (original budget) allocated for workplace skills plan</b>										

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.6 EMPLOYEE EXPENDITURE

Number of employees whose salaries were increased due to positions being upgraded		
Designations	Gender	Total No. of Employees
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-15)	Female	None
	Male	None
MM and s.56	Female	None
	Male	None
<b>Total</b>		None

Employees whose salary levels exceed the grade determined by job evaluation				
Occupation	No. of employees	Date of appointment	No. appointed	Reason for appointment when no established post exists
N/A	N/A	N/A	N/A	N/A

Job evaluation process is currently underway thus the table above is not applicable.

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exists
N/A	N/A	N/A	N/A	N/A

The HGDM Organizational structure was approved after engagement of the employer and employee representatives. There are no positions that were upgraded in the 2018/2019 financial year because the municipality is waiting for the job evaluation processes to be finalized, currently the Job Evaluation Preliminary results are being audited by the Provincial Audit Committee.

## **CHAPTER 5: FINANCIAL PERFORMANCE**

### **Introduction**

Sustainable Financial Management still remains at the forefront of ensuring sustainable municipal service delivery. Conservative and prudent management of the public purse by the budget & treasury office remains at the core of ensuring the realisation of this critical Municipal Financial Management Act (MFMA) objective. In essence, the MFMA contributes towards ensuring that financial resources at a local government level are developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds by encouraging transparency.

The aim of this chapter is to provide an overview of the financial performance of the municipality / municipal entity through measuring of actual results against actual and also through evaluating historical trends.

Information included in this chapter is structured as follows:

- ✓ Component A: Statement of Financial Performance
- ✓ Component B: Spending against Capital Budget
- ✓ Component C: Cash flow Management and Investment
- ✓ Component D: Other Financial Matters

## **5.1 Component A: Statement of Financial Performance**

For the financial year under review, the Harry Gwala District Municipality obtained a qualified opinion and the summary of its financial performance (Budget vs. Actual) is as follows:

- ✓ 92% of Operating Revenue Budget Earned, 91% of Capital Budget Spent, 123% of Operating Expenditure Budget Spent

DC43 Sisonke - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue By Source</b>												
Service charges - water revenue	44 426	13 563	57 988	43 001		(14 987)	74,2%	96,8%				27 669
Service charges - sanitation revenue	19 040	5 813	24 852	15 419		(9 433)	62,0%	81,0%				9 499
Interest earned - external investments	6 946	2 379	9 325	9 919		594	106,4%	142,8%				8 969
Interest earned - outstanding debtors	9 540	(428)	9 112	9 839		727	108,0%	103,1%				11 363
Fines	-	-	-	-		-	-	-				-
Transfers recognised - operational	328 823	55 503	384 326	372 119		(12 207)	96,8%	113,2%				303 589
Other revenue	1 115	-	1 115	14 168		13 053	1271,0%	1271,0%				2 083
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>428 929</b>	<b>76 829</b>	<b>505 758</b>	<b>464 465</b>		<b>(41 292)</b>	<b>91,8%</b>	<b>108,3%</b>				<b>364 203</b>
<b>Expenditure By Type</b>												
Employee related costs	162 678	(18 711)	181 389	181 161	228	(228)	99,9%	111,4%	(291)		291	148 793
Remuneration of councillors	6 848	165	7 013	6 952	61	(61)	99,1%	101,5%	377		(377)	5 964
Debt impairment	25 266	(19 305)	5 961	19 111	(13 150)	13 150	320,6%	75,6%	7 898		(7 898)	26 200
Depreciation & asset impairment	41 276	(4 406)	36 871	69 743	(32 873)	32 873	189,2%	169,0%	(12 694)		12 694	62 844
Finance charges	3 954	-	3 954	3 752	202	(202)	94,9%	94,9%	(2 852)		2 852	4 448
Bulk purchases	15 000	(2 124)	12 876	17 976	(5 100)	5 100	139,6%	119,8%	1 640		(1 640)	14 585
Other materials	14 615	6 675	21 290	31 006	(9 716)	9 716	145,6%	212,2%	-		-	-
Contracted services	83 303	73 945	157 248	141 436	15 812	(15 812)	89,9%	169,8%	(107 281)		107 281	131 786
Transfers and grants	16 830	(2 830)	14 000	14 000	-	-	100,0%	83,2%	(3 851)		3 851	11 851
Other expenditure	31 924	1 632	33 556	51 585	(18 029)	18 029	153,7%	161,6%	84 861		(84 861)	81 291
Loss on disposal of PPE			-	-	-	-	-	-	(1 529)		1 529	41
<b>Total Expenditure</b>	<b>401 695</b>	<b>35 041</b>	<b>436 736</b>	<b>536 724</b>	<b>(62 565)</b>	<b>62 565</b>	<b>122,9%</b>	<b>133,6%</b>	<b>(33 722)</b>	<b>-</b>	<b>33 722</b>	<b>487 801</b>
<b>Surplus/(Deficit)</b>	<b>27 234</b>	<b>41 788</b>	<b>69 022</b>	<b>(72 258)</b>		<b>(103 858)</b>	<b>-104,7%</b>	<b>-265,3%</b>				<b>(123 598)</b>
Transfers recognised - capital	341 982	(25 697)	316 285	286 326		(29 959)	90,5%	83,7%				324 356
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>369 216</b>	<b>16 091</b>	<b>385 307</b>	<b>214 068</b>		<b>(133 817)</b>	<b>55,6%</b>	<b>58,0%</b>				<b>200 758</b>
<b>Surplus/(Deficit) after taxation</b>	<b>369 216</b>	<b>16 091</b>	<b>385 307</b>	<b>214 068</b>		<b>(133 817)</b>	<b>55,6%</b>	<b>58,0%</b>				<b>200 758</b>
<b>Surplus/(Deficit) attributable to municipality</b>	<b>369 216</b>	<b>16 091</b>	<b>385 307</b>	<b>214 068</b>		<b>(133 817)</b>	<b>55,6%</b>	<b>58,0%</b>				<b>200 758</b>
<b>Surplus/(Deficit) for the year</b>	<b>369 216</b>	<b>16 091</b>	<b>385 307</b>	<b>214 068</b>		<b>(133 817)</b>	<b>55,6%</b>	<b>58,0%</b>				<b>200 758</b>

## Functional Performance of Operational Services

### DC43 Sisonke - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2018/19			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome
	1	2	3	4
<b>R thousand</b>				
<b>Revenue - Standard</b>				
<b>Governance and administration</b>	330 749	(1 622)	328 820	329 751
Executive and council			-	
Budget and treasury office	330 749	(1 622)	328 820	329 751
Corporate services			-	
<b>Economic and environmental services</b>	-	-	-	346
Planning and development			-	346
<b>Trading services</b>	421 122	53 062	474 184	376 911
Electricity			-	
Water	294 299	87 238	381 537	307 935
Waste water management	126 823	(34 176)	92 647	68 977
Waste management			-	
<b>Other</b>			-	43 783
<b>Total Revenue - Standard</b>	<b>751 871</b>	<b>51 439</b>	<b>803 004</b>	<b>750 791</b>
<b>Expenditure - Standard</b>				
<b>Governance and administration</b>	147 427	53 294	159 515	181 570
Executive and council	29 498	(9 128)	24 941	24 275
Budget and treasury office	117 929	62 422	134 574	157 295
Corporate services	-	-	-	-
<b>Economic and environmental services</b>	51 538	34 927	54 822	47 563
Planning and development	51 538	34 927	54 822	47 563
Road transport			-	
Environmental protection			-	
<b>Trading services</b>	205 177	(37 232)	259 822	307 591
Electricity	-	15 031	15 031	-
Water	173 388	(47 282)	209 621	164 439
Waste water management	31 789	(4 981)	35 169	143 152
Waste management			-	
<b>Total Expenditure - Standard</b>	<b>404 141</b>	<b>50 989</b>	<b>474 158</b>	<b>536 724</b>
<b>Surplus/(Deficit) for the year</b>	<b>347 730</b>	<b>451</b>	<b>328 845</b>	<b>214 068</b>

## Grants Performance

**2018/2019 OPERATIONAL GRANTS PERFORMANCE**

Description	2017/18	Budget Year 2018/19					
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>							
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	347 365	328 823	361 595	364 600	361 595	3 005	0,8%
Local Government Equitable Share	285 028	318 074	318 074	318 074	318 074	-	100%
Finance Management	1 250	1 000	1 000	1 000	1 000	0	0%
Municipal Infrastructure Grant (PMU)	49 148	5 005	25 742	23 060	25 742	(2 683)	-10%
Energy Efficiency And Demand Side Management Grant	8 000	-			-	-	
Municipal Water Infrastructure Grant	-	-	9 034	14 945	9 034	5 911	65%
Rural Roads Asset Management Grant	2 221	2 226	2 226	2 003	2 226	(223)	-10%
Expanded public works programme incentive grant	1 718	2 518	2 518	2 518	2 518	-	100%
Raset Grant			3 000	3 000	3 000	-	100%
<b>Total Operating Transfers and Grants Expenditure</b>	<b>347 365</b>	<b>328 823</b>	<b>361 595</b>	<b>364 600</b>	<b>361 595</b>	<b>3 005</b>	<b>0,8%</b>

**COMMENT ON OPERATIONAL GRANT PERFORMANCE**

The table above shows the operational grants performance against the budget as well as the prior year's performance. All current year grants transfers were fully spent.

## Asset Management

### CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS

Name of Project	Budget Year 2018/19				
	Original Budget	Adjusted Budget	YearTD actual	YTD variance	YTD variance
<b>R thousands</b>					%
Ncakubana Water Supply	6 000	12 369	8 505	3 864	1%
Mnqumeni Water Supply	20 446	22 164	18 815	3 349	0%
Kokstad Water Upgrade	32 384	11 712	9 396	2 315	1%
Greater Summerfield Water Project	30 000	17 807	19 103	(1 296)	0%
Horseshoe Sanitation	10 000	29 641	15 795	13 846	0%

#### Name of Project A

#### Ncakubana Water Supply

Objective of the Project

Provision of Water Services to Community of Ncakubana

Delays

The project is implemented on phases due to budget limit

Future Challenges

The project is implemented on phases due to budget limit

Anticipated Citizen Benefit

1000 Households will benefit after the completion of a project

#### Name of Project A

#### Mnqumeni Water Supply

Objective of the Project

Provision of Water Services to Community of Mnqumeni

Delays

The project is implemented on phases due to budget limit

Future Challenges

The project is implemented on phases due to budget limit

Anticipated Citizen Benefit

19856 Households will benefit after the completion of a project

#### Name of Project A

#### Kokstad Water Upgrade

Objective of the Project

Provision of Water Services to Community of Kokstad

Delays

The project is implemented on phases due to budget limit

Future Challenges

Budget Constraints or limited

Anticipated Citizen Benefit

9619 Households will benefit after the completion of a project

#### Name of Project A

#### Greater Summerfield Water Project

Objective of the Project

Provision of Water Services to Community of Kwameyi

Delays

The project is implemented on phases due to budget limit

Future Challenges

The project is implemented on phases due to budget limit

Anticipated Citizen Benefit

4500 Households will benefit after the completion of a project

#### Name of Project A

#### Horseshoe Sanitation

Objective of the Project

Provision of Sanitation to Community of Kokstad

Delays

The project is implemented on phases due to budget limit

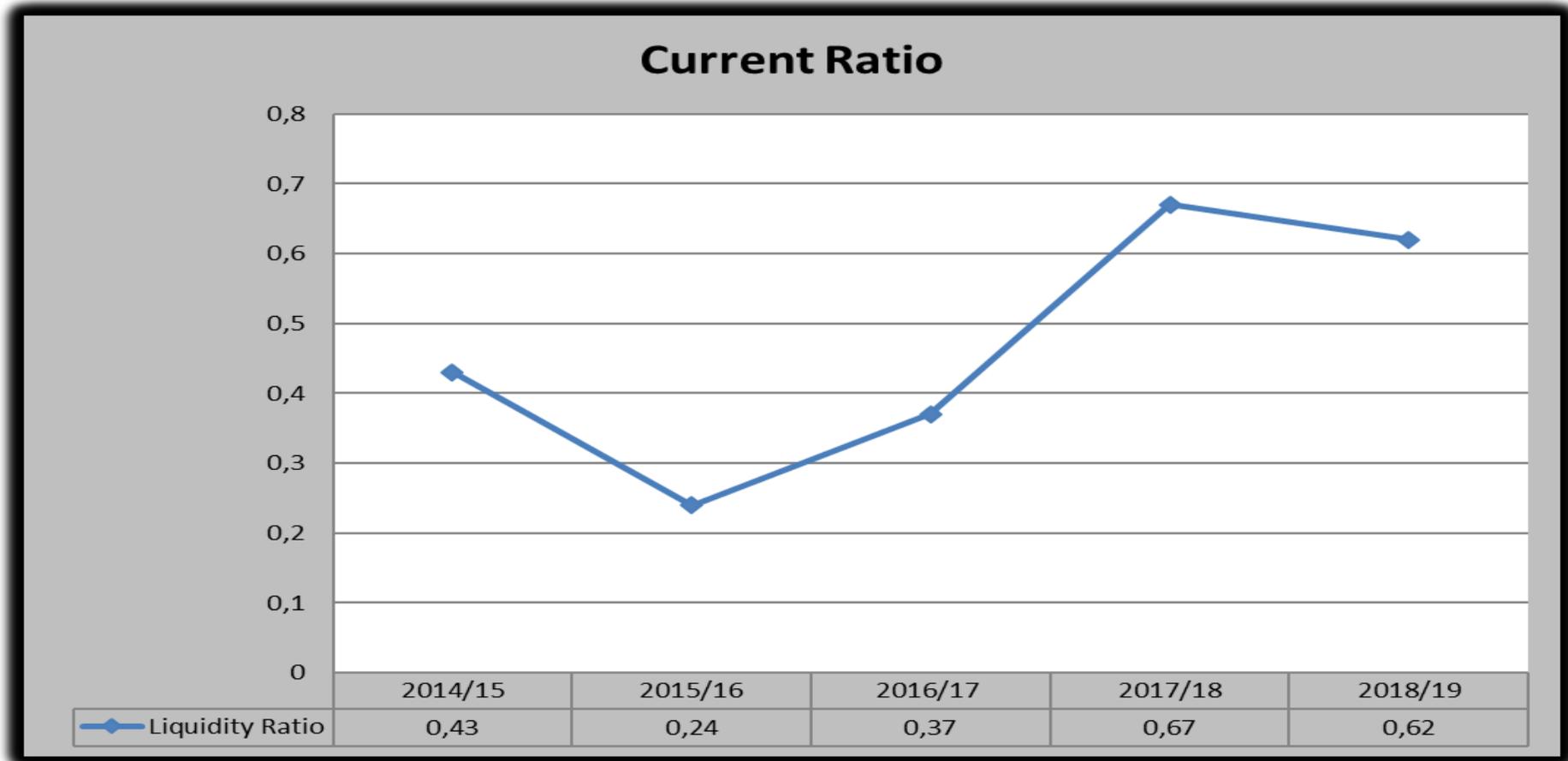
Future Challenges

Budget Constraints or limited

Anticipated Citizen Benefit

10 000 Households will benefit after the completion of a project

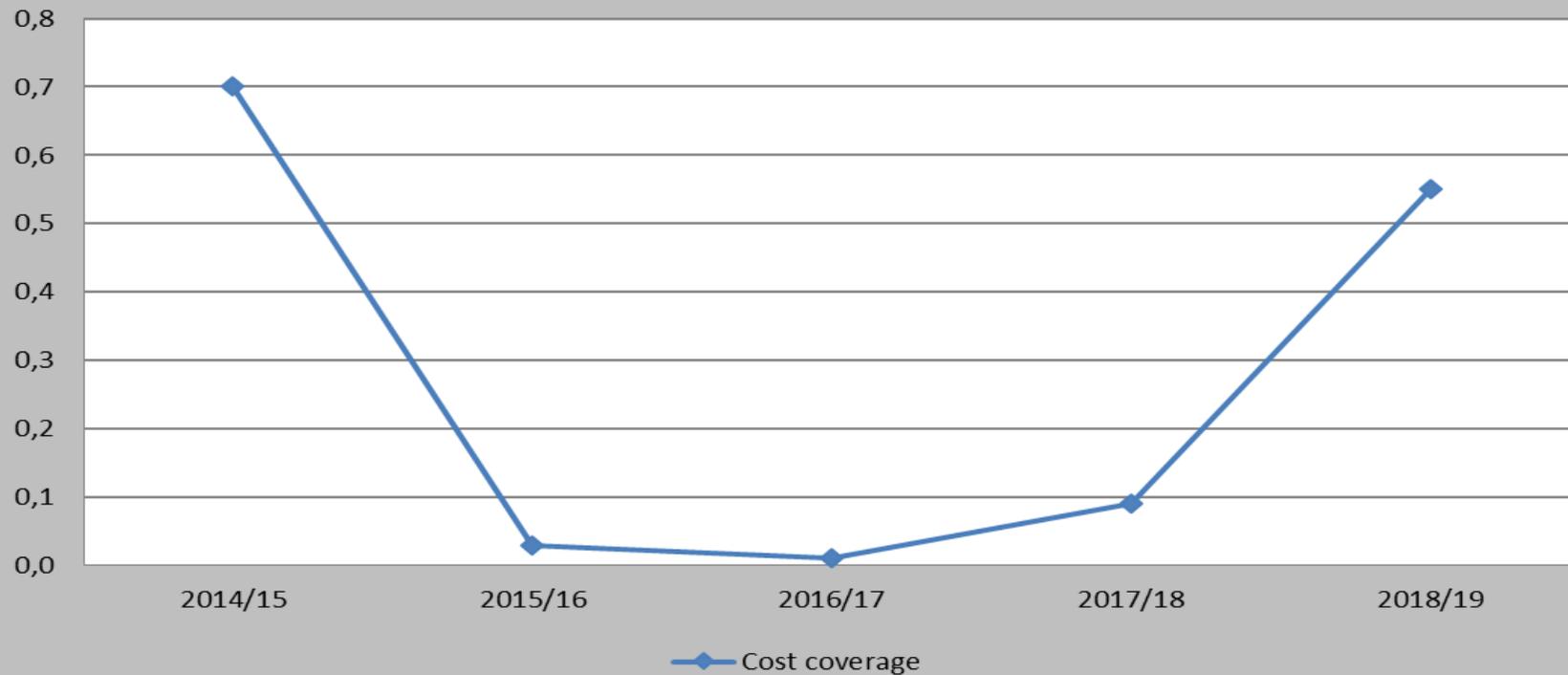
Financial Ratio's based on key financial indicators



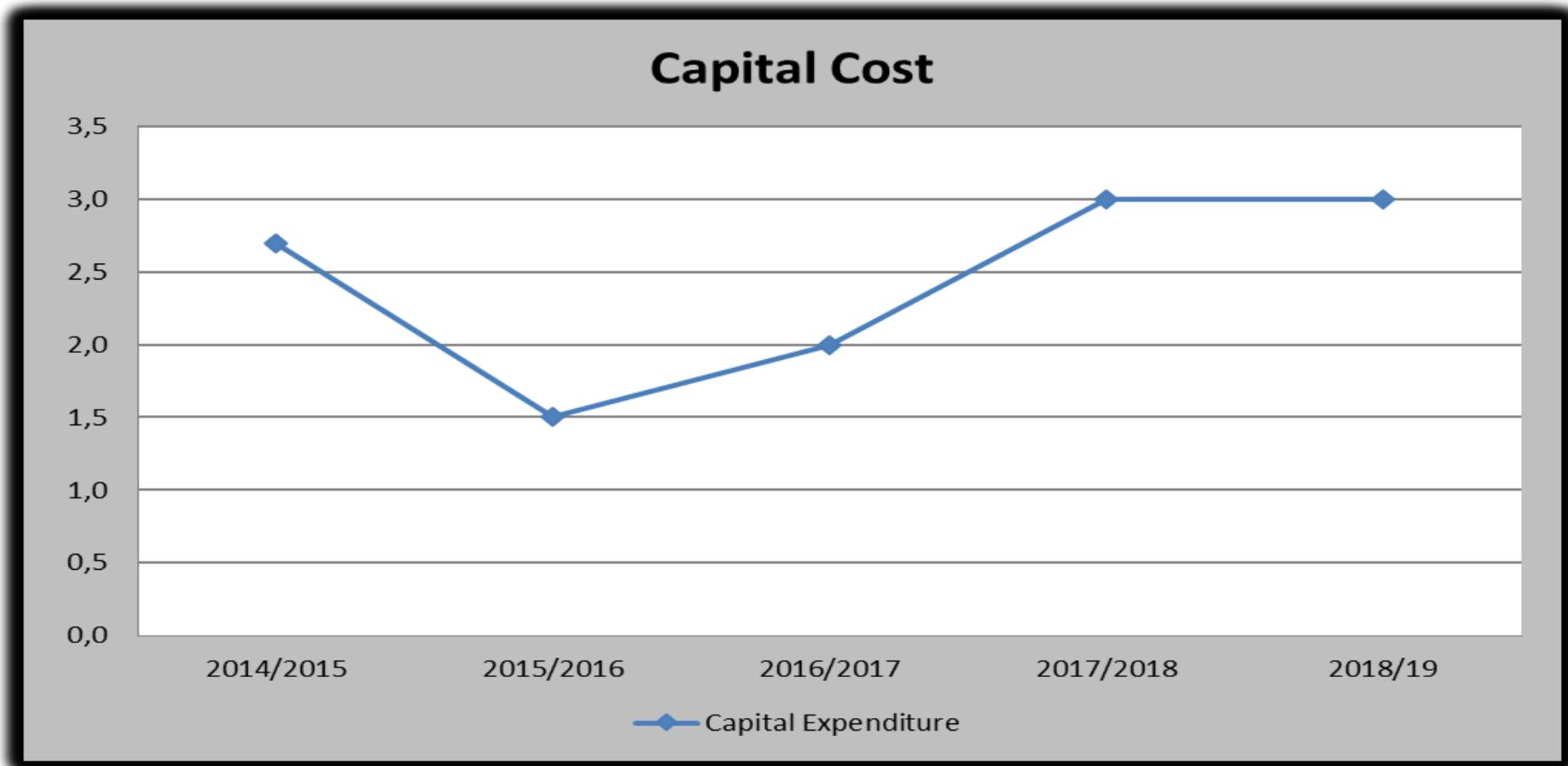
Liquidity ratio measures the municipalities ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities.

The graph above shows great improvement in 2017/18 and slightly decreased in 2018/19 , the ratio still shows the positive improvement due to a higher positive balance of cash and cash equivalents as well as VAT receivable at year end.

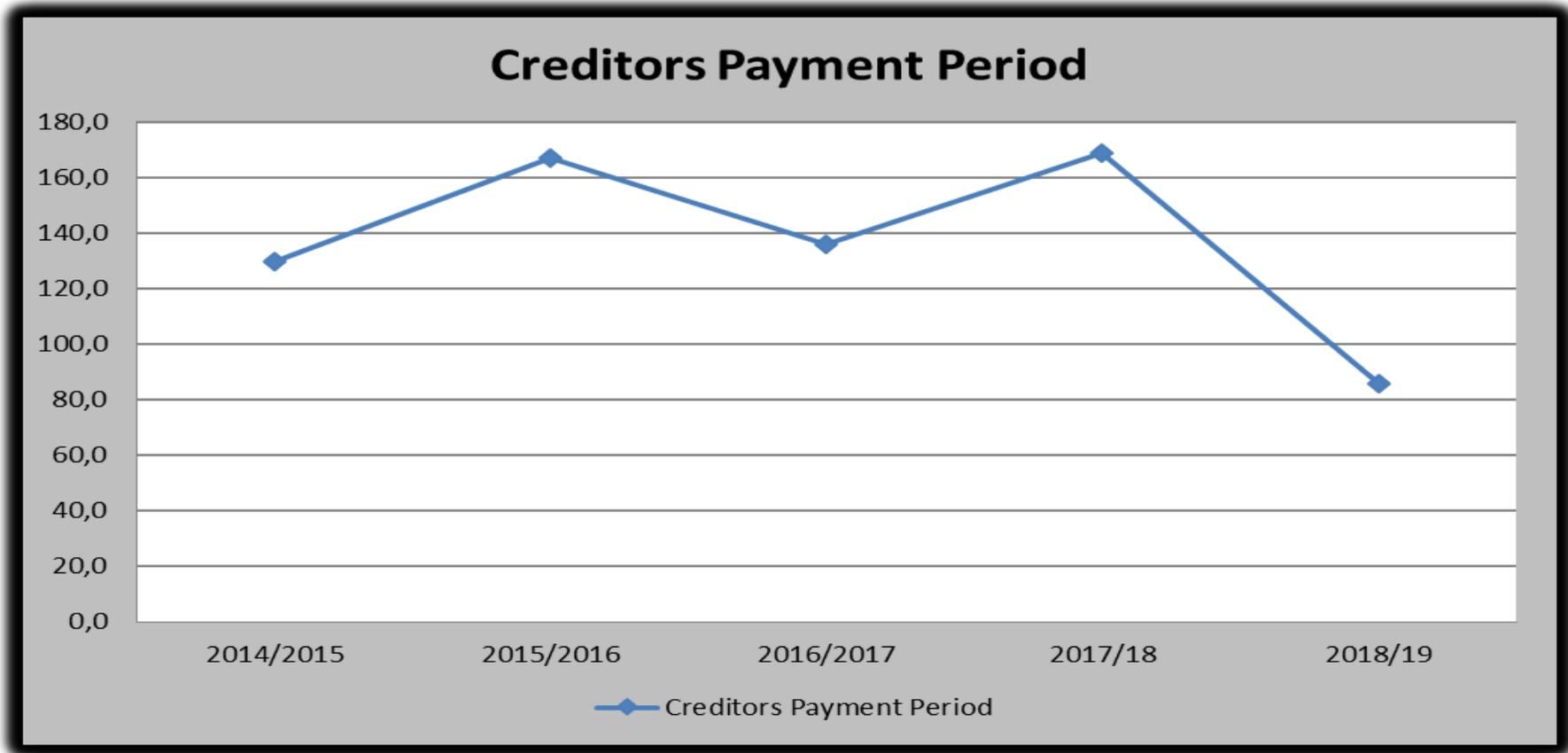
## Cost coverage



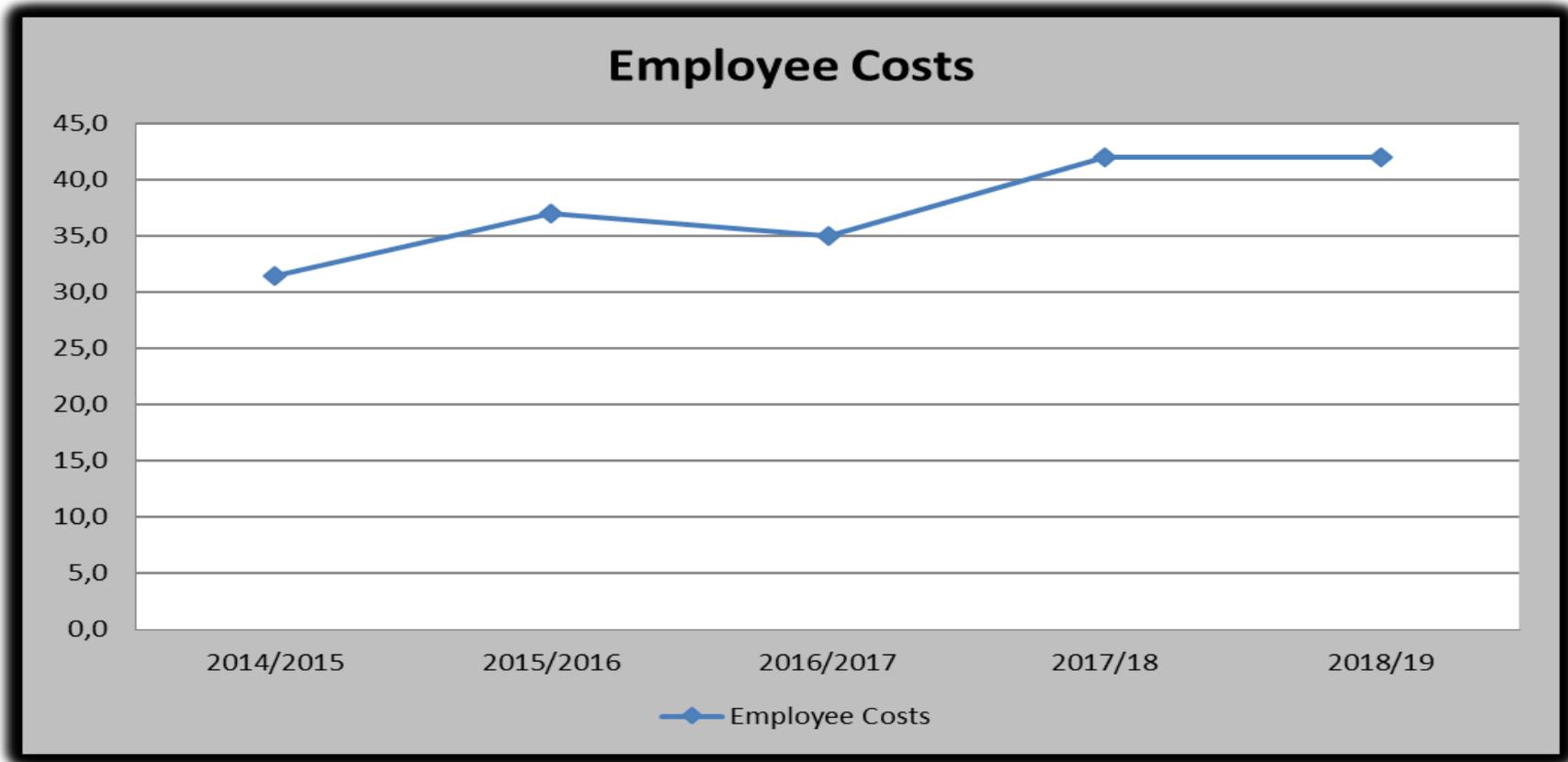
Cost coverage explains how many month expenditure can be covered by the cash and other liquid assets available to the municipality excluding utilisation of grants. The ratio has been on a positive trend with the municipality being able to sustain its operations for a period of up to two months without any cash inflows in 2014/15, However since regressed on this positive trend calling from much more stringent financial management measures. In 2018/19 financial year the ratio has slightly improved due to a higher cash balance at the end of June 2019.



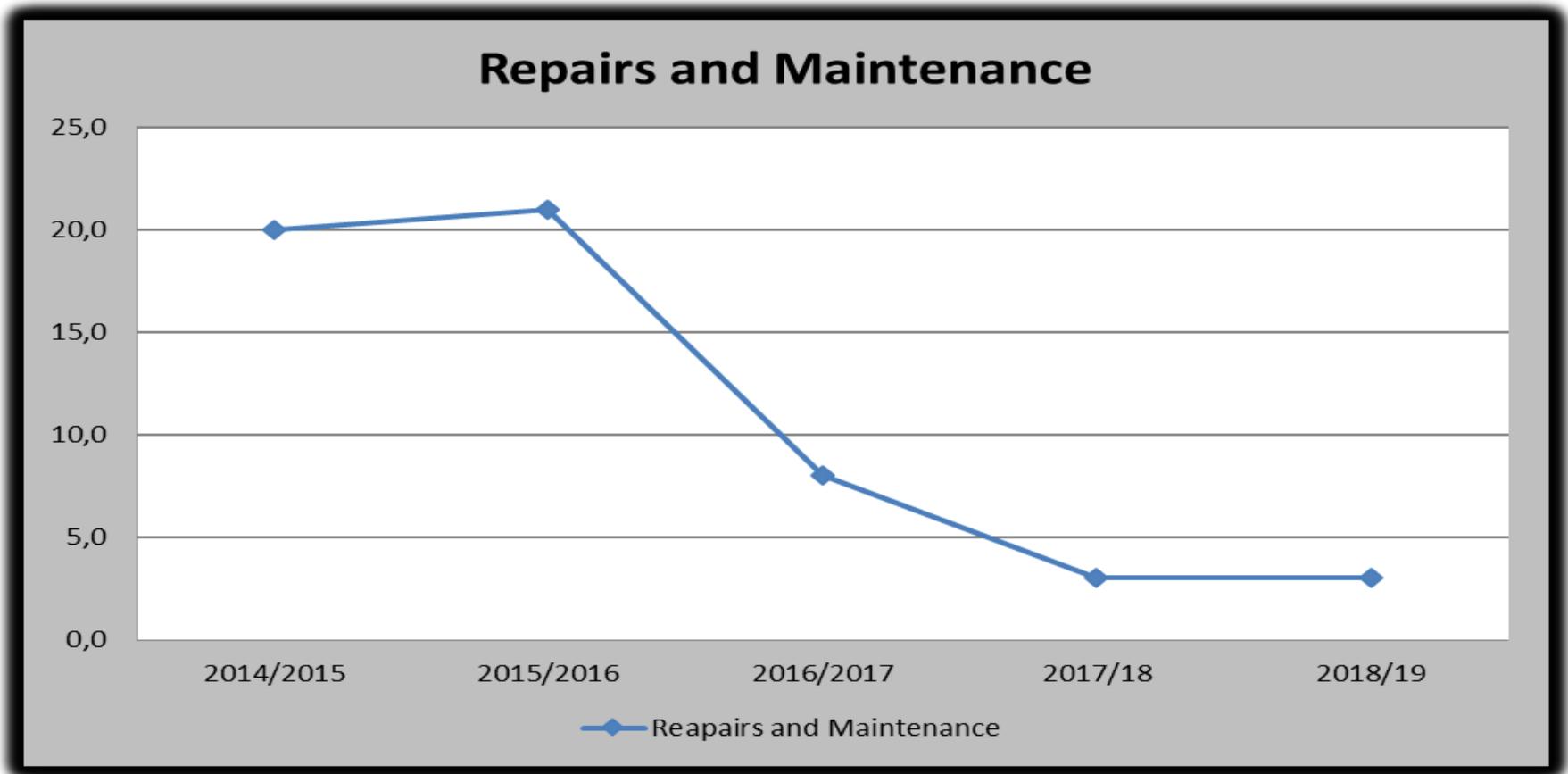
Capital Charges to operating expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. This trend has declined in the year 2015/16 and the year under review due to the high increase in operating expenditure reduction in the capital outstanding balance. The ratio increased from 2% In 2016/17 to 3% in 2017/18 and in 2018/19 the ratio still sitting at 3% due increase in the outstanding long term liabilities and finance charges, this is as a result of additional vehicles obtained under a finance lease.



Creditor System Efficiency- The proportion of creditors paid within terms(i.e 30 days). The ratio is calculated by outstanding trade creditors divided by creditor purchases. The ratio has deteriorated in 2017/18 due to late payments of suppliers as a result of financial difficulties facing the municipality. The municipality therefore is having challenges in paying the suppliers within 30 days. In 2018/19 there is great improvement in creditors payment period compared to previous financial year even though the municipality is still having challenges in paying its suppliers within 30 days.



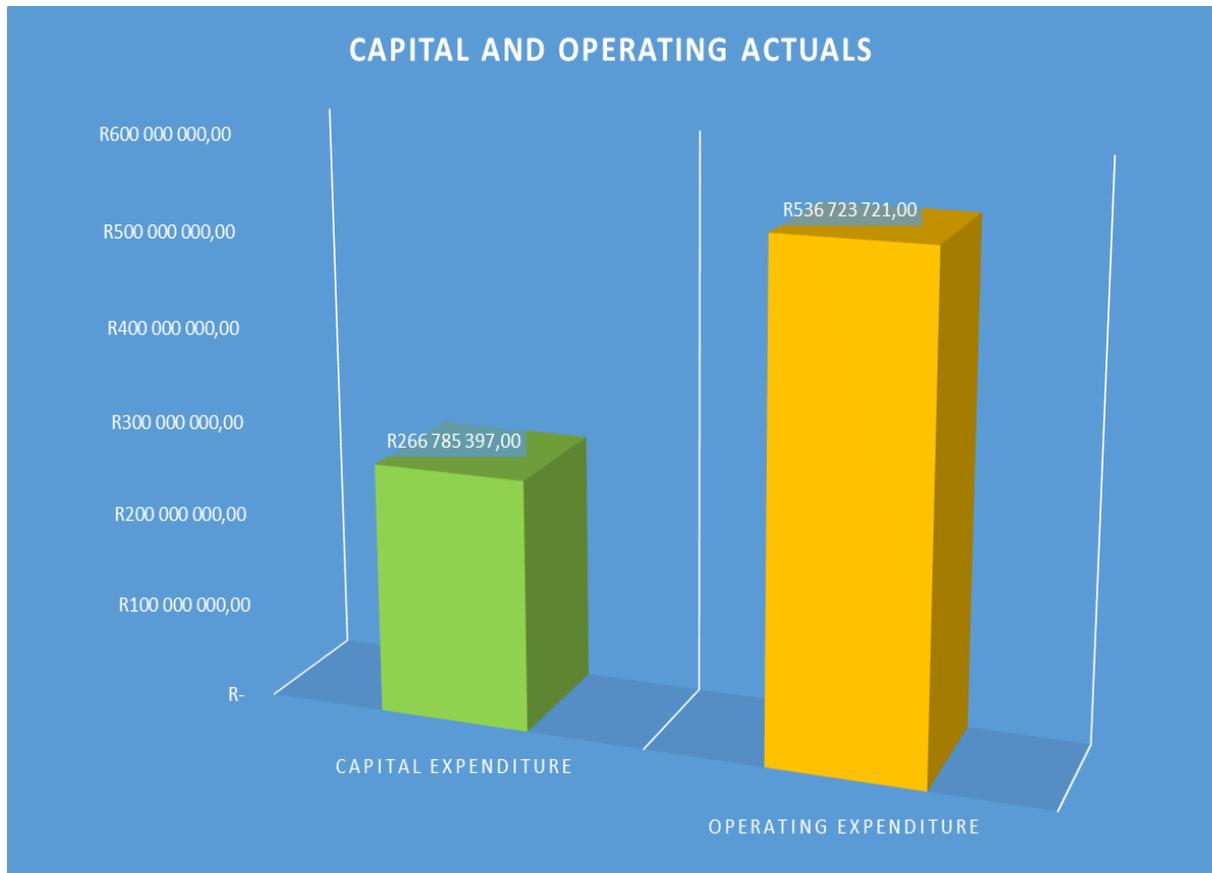
Employee Cost measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue. An increase trend can be noticed in the employee related costs which could pose financial risks if the increase in own revenue does not keep up with increasing costs.



Repairs and maintenance represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by the municipality's own revenue including the equitable share allocation. This ratio shows that the percentage of revenue spent on repairs and maintenance has been declining from 2014/15 meaning the municipality is spending less money on maintaining its infrastructure.

## 5.2 Component B: Spending against Capital Budget

Capital expenditure largely relates mainly to construction projects that will have value lasting over many years. In the case of the District, this relates to the Water & Sanitation Capital expenditure which is mainly funded from National Grants Transfers. The municipality spent 81% of its Capital Budget.



While operating expenditure for the year under review was 123%, the Capital expenditure reflected 91%, it should however be borne in mind that there exists a category of capital expenditure projects in the operating expenditure which therefore increases this expenditure as presented.

An analysis of expenditure on the capital budget shows that the municipality's Capital expenditure is highly reliant on Government Grants and subsidies. The district's commitment towards water & sanitation service delivery backlogs reduction is indicated by the greater than 90% expenditure trend on water & sanitation infrastructure in the capital budget under trading services.

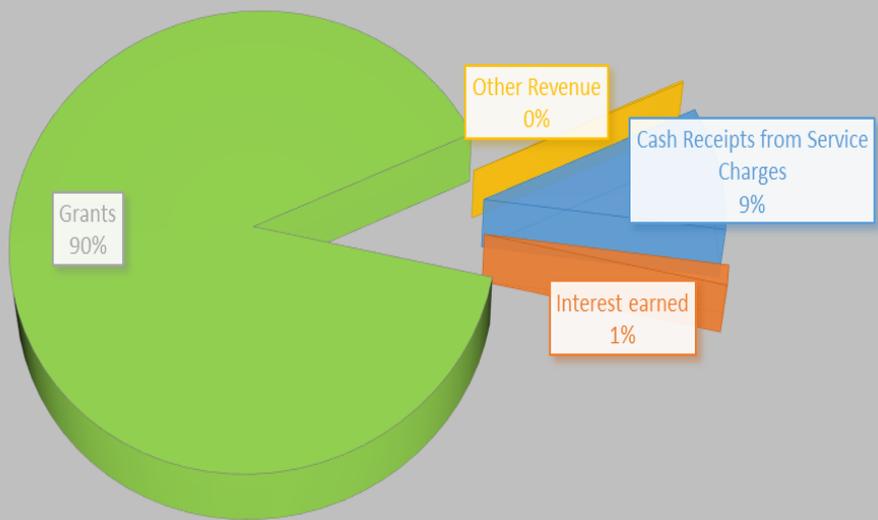
## 5.3 Component C: Cash flow Management and Investment

### COMMENT ON CASH FLOW OUTCOMES

In 2014/15 financial year, the municipal year end cash flow position has been on an upward trend however, in 2015/16 financial year that has reversed posing cash flow risk to the municipality and again in 2016/17, 2017/18 it went up showing a great improvement, however, in 2018/19 financial year cash flow drop down to R58, 3million but still in a positive balance.

✓ 2014/15	R25, 8million
✓ 2015/16	R 5, 8million
✓ 2016/17	R 24, 4million
✓ 2017/18	R 96, 9million
✓ 2018/19	R 58, 3million

## CASH RECEIPTS DISTRIBUTION



DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>RECEIPTS:</b>								
<b>Operating Transfers and Grants</b>								
<b>National Government:</b>	347 365	328 823	361 595	312 329	361 595	(49 266)	-13,6%	328 823
Local Government Equitable Share	285 028	318 074	318 074	268 808	318 074	(49 266)	-15,5%	318 074
Finance Management	1 250	1 000	1 000	1 000	1 000			1 000
Municipal Systems Improvement	-	-	-	-	-			-
Municipal Infrastructure Grant (PMU)	49 148	5 005	25 742	25 742	25 742			5 005
Energy Efficiency And Demand Side Management Grant	8 000	-	-	-	-			-
Municipal Water Infrastructure Grant	-	-	9 034	9 034	9 034	-		-
Rural Roads Asset Management Grant	2 221	2 226	2 226	2 226	2 226	-		2 226
Expanded public works programme incentive grant	1 718	2 518	2 518	2 518	2 518	-		2 518
Raset Grant			3 000	3 000	3 000	-		-
<b>Total Operating Transfers and Grants</b>	<b>347 365</b>	<b>328 823</b>	<b>361 595</b>	<b>312 329</b>	<b>361 595</b>	<b>(49 266)</b>	<b>-13,6%</b>	<b>328 823</b>
<b>Capital Transfers and Grants</b>								
<b>National Government:</b>	387 544	341 982	312 210	332 210	312 210	-		341 982
Municipal Infrastructure Grant (MIG)	199 544	191 582	170 845	170 845	170 845	-		191 582
Regional Bulk Infrastructure	90 000	70 000	70 000	70 000	70 000			70 000
Municipal Water Infrastructure Grant	98 000	80 400	71 366	91 366	71 366			80 400
<b>Total Capital Transfers and Grants</b>	<b>387 544</b>	<b>341 982</b>	<b>312 210</b>	<b>332 210</b>	<b>312 210</b>	<b>-</b>		<b>341 982</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>734 909</b>	<b>670 805</b>	<b>673 805</b>	<b>644 539</b>	<b>673 805</b>	<b>(49 266)</b>	<b>-7,3%</b>	<b>670 805</b>

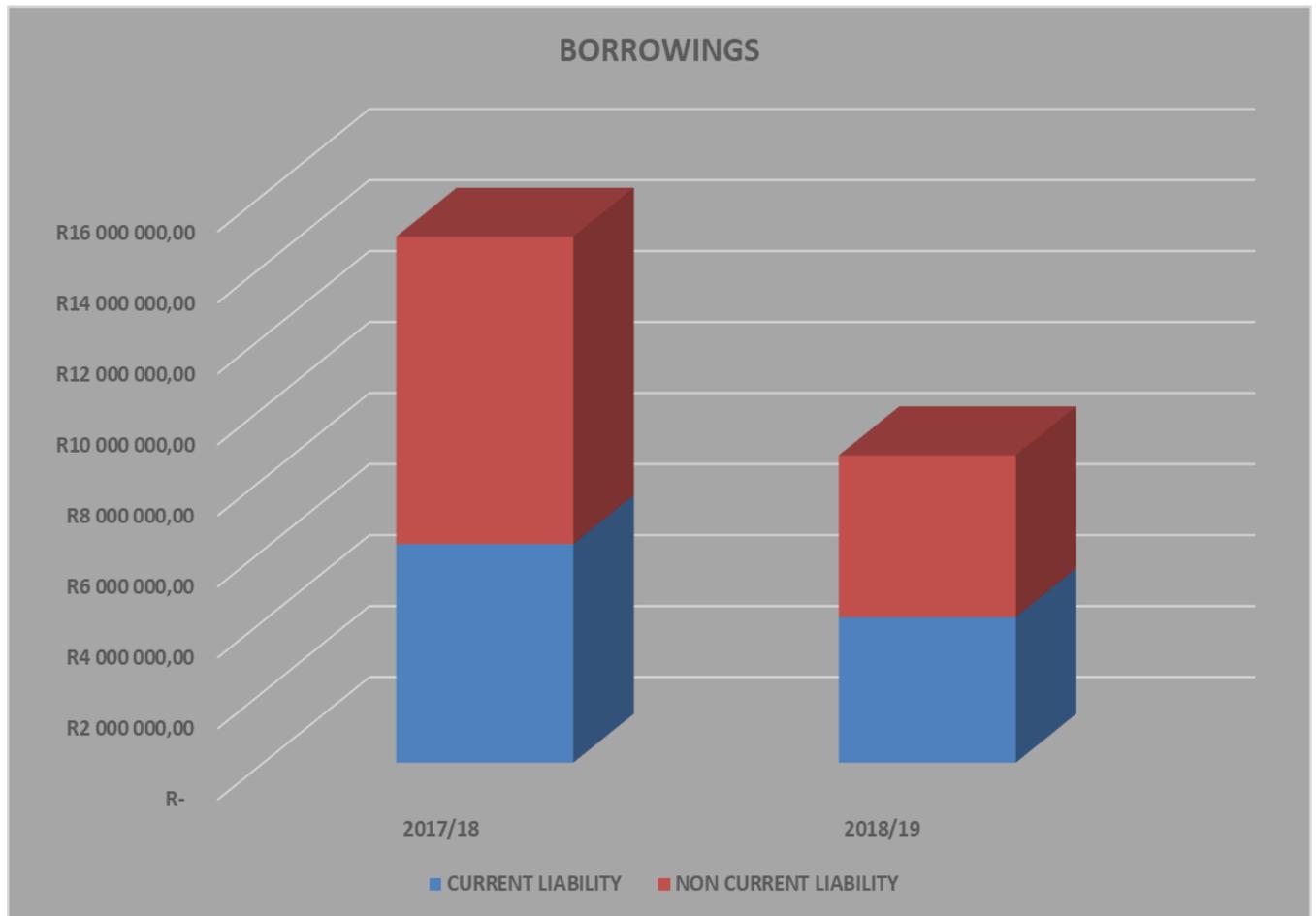
COMMENT ON GRANT RECEIPTS

**Operating Transfers and Grants:** Budgeted operating include grants such as the Financial Management Grants that contribute the overall institutional arrangement such as Rural household's infrastructure grants, equitable share etc.

**Capital Transfers and Grants:** All capital grants received were 100% of the adjusted budget. Grants receipts reflected 100% of the total receipts.

### 5.3.1 Borrowing and Investments

The municipality's borrowing is only constituted of the ABSA loan as the last DBSA loan was fully redeemed in the 2014/15 financial year. The long term debt instruments are used to fund the Water & Sanitation capital infrastructure only in compliance with the MFMA requirements. Finance leases are also used to finance other assets when it is prudent to do so.



#### COMMENT ON BORROWINGS & INVESTMENTS

The balance on the long term loans has decreased by 42% in the past year showing great commitment by the municipality to extinguish its long term debt obligation. The total debt owing at year end was R8,6million.

The municipality does not have investments greater than 90 days. All excess funds are deposited and kept in call accounts and these short term investments are made after taking into consideration short term working capital requirements.

## A. COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2018/2019

The MSA Section 45 states that the results of performance measurement in terms of Section 41 (1) (c) must be audited annually by the Auditor General. Section 41 (1) (c) stated that the auditing should take place with regard to each of those development priorities and objectives and against key performance indicators and targets to monitor, measure and review municipal performance at least once per annum.

This chapter provides an overview of the Auditor-General Report of previous financial year. Specific topics covered the following:

- Detail on issues during the previous financial year;
- Remedial action taken to address the above and preventative measure.



Auditor-General of South Africa  
**Harry Gwala District Municipality**  
**Audit Report 2018-19**

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and council on Harry Gwala District Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Harry Gwala District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Harry Gwala District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of matters**

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

### **Significant uncertainties – Contingent liabilities**

7. With reference to note 37 to the financial statements, the municipality is a defendant in various claims received from suppliers. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result was made in the financial statements.

### **Material losses - water**

8. As disclosed in note 45 to the financial statements, material water losses of R9,02 million (2017-18: R9,11 million) were incurred, which represents 31,9% (2017-18: 38,2%) of total water distributed.

### **Restatement of corresponding figures**

9. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2019.

## **Other matter**

10. I draw attention to the matter below.

### **Unaudited disclosure note**

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

## **Responsibilities of the accounting officer for the financial statements**

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2019:

Objective	Pages in the annual performance report
Objective 1 – to improve the coverage, quality. Efficiency and sustainability of water and sanitation in all urban and rural communities	x – x

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not raise any material findings on the usefulness and reliability of the reported performance information for this objective.

### **Other matters**

21. I draw attention to the matters below.

### **Achievement of planned targets**

22. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations provided for the overachievement of a significant number of targets.

### **Adjustment of material misstatements**

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the objective. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislations are as follows:

### **Expenditure management**

26. Reasonable steps were not taken to prevent unauthorised expenditure of R62,57 million as disclosed in note 42 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by inadequate budgeting for bulk purchases, inventory consumed and operational costs.

27. Reasonable steps were not taken to prevent irregular expenditure of R138,49 million as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by awarding contracts without following proper procurement processes.

28. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

## **Consequence management**

29. Some of the 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.
30. Some of the irregular and 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.

## **Procurement and contract management**

- 31 Some of the construction contracts were awarded to contractors that were not registered with the CIDB in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).

## **Other information**

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported in this auditor's report.
33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. The other information I obtained prior to the date of this report is the Mayor's foreword and the accounting officers report. The audit committee's report is expected to be available to me after 30 November 2019.
36. If based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement on this other information, I am required to report that fact. I have nothing to report in this regard.
- 37 When I do receive and read the audit committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted the findings on compliance with legislation included in this report.
39. Leadership did not exercise adequate oversight and monitoring over compliance with laws and regulations.
40. Non-compliance could have been prevented, had management updated their compliance checklists with all the required legislative requirements relating to expenditure, consequence management and procurement and contract management.

## Other reports

41. I draw attention to the following engagements conducted that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
42. In terms of proclamation number R10 of 2017, Government Gazette 40594 of 3 February 2017, the Special Investigating Unit is investigating various irregularities regarding the procurement of goods and services from 10 service providers which covers the period 1 January 2010 to 3 February 2017. These investigations were still in progress at the date of this report.
43. The municipality requested two independent consulting firms to investigate allegations relating to possible misappropriation of funds and payments to fictitious employees. The two investigations covered the periods 1 July 2014 to 30 June 2017, and the period prior to 31 January 2017. These investigations were completed at the date of this report and resulted in criminal proceedings against the implicated employees. These proceedings are currently in progress.

*Auditor - General SA*  
Pietermaritzburg

30 November 2019



AUDITOR - GEN ERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.
2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,  
  
obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Harry Gwala District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern, and
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## APPENDICES

### Appendix A: Councilors; committee allocation and council attendance

#### APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

##### LIST OF COUNCILLORS

COUNCILLOR	POSITION
Cllr. ME Ndobe	Mayor
Cllr. NH Duma	Deputy Mayor
Cllr. TN Jojozi	Speaker
Cllr. BP Nzimande	Member
Cllr. N Mavuka	Member
Cllr. LG Seja	Member
Cllr. WB Dlamini	Member
Cllr. SS Mavuma	Member
Cllr. VW Zaza	Member
Cllr. P Shange	Member
Cllr. TG Soni	Member
Cllr. BC Mncwabe	Member
Cllr. Z Nyide	Member
Cllr. BC Caluza	Member
Cllr. ZC Khumalo	Member
Cllr. NW Dladla	Member
Cllr. BZ Magaqa	Member
Cllr. BL Marnce	Member
Cllr. SN Madziba	Member
Cllr. ZR Tshazi	Member
Cllr. S Nkala	Member
Cllr. TC Dlamini	Member
Cllr. SV Zulu	Member
Cllr. V Xotongo	Member
Cllr. S Phakathi	Member

## **ALLOCATION OF COUNCILLORS**

### **EXECUTIVE COMMITTEE**

<b>COUNCILLOR</b>	<b>POSITION</b>
Cllr. ME Ndobe	Chairperson (Mayor)
Cllr. NH Duma	Member (Deputy Mayor)
Cllr. N Mavuka	Member
Cllr. BP Nzimande	Member
Cllr. LG Seja	Member

### **INFRASTRUCTURE SERVICES**

<b>COUNCILLOR</b>	<b>POSITION</b>
Cllr. N Mavuka	Chairperson
Cllr. NW Dladla	Member
Cllr. BL Marnce	Member
Cllr. SN Madziba	Member
Cllr. BZ Magaqa	Member

### **WATER AND SANITATION SERVICES COMMITTEE**

<b>COUNCILLOR</b>	<b>POSITION</b>
Cllr. BP Nzimande	Chairperson
Cllr. ZR Tshazi	Member
Cllr.ZC Khumalo	Member
Cllr. LG Seja	Member
Cllr. SS Mavuma	Member
Cllr. VW Zaza	Member

**SOCIAL SERVICES AND DEVELOPMENT PLANNING**

<b>COUNCILLOR</b>	<b>POSITION</b>
Cllr. NH Duma	Chairperson (Deputy Mayor)
Cllr. PP Shange	Member
Cllr. TG Soni	Member
Cllr. BC Mncwabe	Member
Cllr. B Caluza	Member

**FINANCE AND CORPORATE SERVICES COMMITTEE**

<b>COUNCILLOR</b>	<b>POSITION</b>
Cllr. ME Ndobe	Chairperson (Mayor)
Cllr. WB Dlamini	Member
Cllr. S Nkala	Member
Cllr. TC Dlamini	Member
Cllr. SV Zulu	Member
Cllr V Xotongo	Member
Cllr S Phakathi	Member

**MPAC**

<b>MEMBER</b>	<b>POSITION</b>
Cllr SV Zulu	Chairperson
Cllr SS Mavuma	Member
Cllr WB Dlamini	Member
Cllr S Nkala	Member
Cllr V Xotongo	Member

**AUDIT COMMITTEE**

<b>MEMBER</b>	<b>POSITION</b>
Mr. S Hlophe	Chairperson
Ms S Gumbi	Member
Mr. D Mncwabe	Member
Mr. B Stobie	Member

**LOCAL LABOUR FORUM**

<b>NAME</b>	<b>POSITION</b>
Councillor BP Nzimande	Chairperson
Councillor WB Dlamini	Employer Component
Councillor NH Maphasa Duma	Employer Component
Councillor N Mavuka	Employer Component
Ms N Lungwengwe	Executive Director: Corporate Services
Mr M Mkatu	Chief Financial Officer
Ms NC James	Executive Director: Social Services, Development and Planning
Mr D Gqiba	Executive Director: Water Services
Mr T Magqazana	Labour Component
Mr S Mthlane	Labour Component (resigned 2017/18)
Mr V Nyide	Labour Component
Mr M Mkhwanazi	Labour Component
Mr S Ngwane	Labour Component

HARRY GWALA DISTRICT MUNICIPALITY COUNCILLORS ATTENDANCE RECORDS JULY 2018- JUNE 2019

**COUNCIL MEETINGS**

<b>Councillors</b>	<b>No. of scheduled meetings</b>	<b>Meetings not Attended &amp; Dates of the meeting</b>	<b>Meetings attended</b>
1. Cllr. ME Ndobe			
2. Cllr. N H Maphasa -Duma			
3. Cllr. TN Jojozi			
4. Cllr. WB Dlamini			
5. Cllr. BP Nzimande			
6. Cllr. N Mavuka			
7. Cllr. LG Seja			
8. Cllr. SS Mavuma			
9. Cllr. NW Dladla			
10. Cllr. TG Soni			
11. Cllr. V Xotongo			
12. Cllr. VW Zaza			
13. Cllr. TC Dlamini			
14. Cllr. ZC Khumalo			
15. Cllr. S Nkala			
16. Cllr. SN Madziba			
17. Cllr. BC Mncwabe			
18. Cllr. SV Zulu			
19. Cllr. P Shange			
20. Cllr. ZR Tshazi			
21. Cllr BC Caluza			
22. Cllr. BZ Magaqa			
23. Cllr. BL Marnce			
24. Cllr. SJ Phakathi			

**EXECUTIVE COMMITTEE**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS NOT ATTENDED &amp; DATE</b>
ClIr ME Ndobe	11		03 20 March 2019 21 May 2019 25 June 2019
ClIr NH Maphasa-Duma	11		01 25 September 2018
ClIr N Mavuka	11		02 26 July 2018 22 November 2018
ClIr BP Nzimande	11		01 28 August 2018
LG Seja	11		11 26 JULY 2018 28 August 2018 25 September 2018 23 October 2018 22 November 2018 22 January 2018 21 February 2019 20 March 2019 24 April 2019 21 May 2019 25 June 2019

**INFRASTRUCTURE SERVICES COMMITTEE**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS NOT ATTENDED</b>
1.Cllr N Mavuka	10	07	03 September 2018 October 2018 November 2018
2.Cllr NW Dladla	10	07	03 September 2018 October 2018 November 2018
3.Cllr SN Madziba	10	05	02 02 April 2019 16 May 2019
4.Cllr BZ Magaqa	10	06	04 September 2018 October 2018 November 2018 04 June 2019
5.Cllr BL Marncé	10	02	08 September 2018 October 2018 November 2018 07 February 2019 13 March 2019 02 April 2019 16 May 2019 04 June 2019

**FINANCE AND CORPORATE SERVICES COMMITTEE**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS NOT ATTENDED &amp; DATE</b>
-------------------	----------------------------------	--------------------------	---

1.Clr ME Ndoke	10	05	05 20 August 2018 19 September 2018 15 November 2018 14 March 2019 13 June 2019
2.Clr SV Zulu	10	04	06 20 August 2018 19 September 2018 15 November 2018 14 March 2019 18 April 2019 16 May 2019
3.Clr WB Dlamini	10	06	20 August 2018 15 November 2018 14 March 2019
4.Clr S Nkala	10	01	09 18 July 2018 20 August 2018 17 October 2018 15 November 2018 14 February 2019 14 March 2019 18 April 2019 16 May 2019 13 June 2019
5.Clr TC Dlamini	10	06	04 20 August 2018 15 November 2018 14 March 2019 16 May 2019
6.Clr V Xotongo	10	06	04 20 August 2018 15 November 2018

			14 March 2019 18 April 2019
7. Cllr SJ Phakathi	10	05	05 20 August 2018 17 October 2018 15 November 2018 14 March 2019 18 April 2019

**SOCIAL SERVICES AND DEVELOPMENT PLANNING**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS ATTENDED &amp; DATE</b>	<b>NOT</b>
1.Cllr NH Maphasa Duma	10	09	01 07 September 2018	
2.Cllr P Shange	10	10	10 12 July 2018 07 August 2018 07 September 2019 11 October 2018 08 November 2018 12 February 2019 06 March 2019 11 April 2019 20 May 2019 06 June 2019	
3.Cllr TG Soni	10	08	02 12 July 2018 07 September 2018	
4.Cllr BC Mncwabe	10	09	01 07 September 2018	
6.Cllr BC Caluza	10	01	09 12 July 2018 07 August 2018 07 September 2019 08 November 2018 12 February 2019 06 March 2019 18 April 2019	

			20 May 2019 06 June 2019
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**WATER AND SANITATION SERVICES COMMITTEE**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS NOT ATTENDED &amp; DATE</b>
1.Cllr BP Nzimande	10		
2. Cllr 2. Cllr ZR Tshazi	10		
3.Cllr ZC Khumalo	10		
4.Cllr LG Seja	10		
5.Cllr SS Mavuma	10		
6.Cllr VW Zaza	10		

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

<b>COUNCILLOR</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>MEETINGS NOT ATTENDED &amp; DATE</b>
1. Cllr SV Zulu	04	02	02 05 SEPTEMBER 2018 22 MAY 2019
2. Cllr SS Mavuma	04	02	02 05 SEPTEMBER 2018 22 MAY 2019
3. Cllr V Xotongo	04	04	04 05 SEPTEMBER 2018 15 OCTOBER 2018 13 FEBRUARY 2019 22 MAY 2019
4. Cllr S Nkala	04	04	04 05 SEPTEMBER 2018 15 OCTOBER 2018 13 FEBRUARY 2019 22 MAY 2019

5. Cllr WB Dlamini	04	02	02 05 SEPTEMBER 2018 22 MAY 2019
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## Appendix B: Committee and committee purpose

- a) Executive Committee Council
- b) Finance and Corporate Services Committee
- c) Social Services and development Planning Committee
- d) Infrastructure Services Committee
- e) Water Services Committee
- f) Municipal Public Accounts Committee
- g) Audit Committee

### (a) Executive committee

It is the Principal Committee and also makes recommendations to Council for Endorsement. It monitors the municipal performance. The Committee also reports annually to Council on the effect of community participation and consultation in oversee provision of services to the community eg. Integrated Development Plan (IDP) roadshows.

### (b) Council

This is the body that makes the by-laws and decisions for the municipality and oversees the executive and administration. It has a number of different responsibilities. These include making the by-laws and policies, providing financial oversight, planning the budget, approval of the Service Delivery and Budget Implementation Plan (SDBIP) and the Integrated Development Plan (IDP), employment of the Municipal Manager and ensures that policies and by-laws are adhered to. It is also responsible for ensuring that the municipal administration fulfills its duties by ensuring that all resolutions are implemented.

### (c) Finance and Corporate Services committee

The Finance and Corporate Services Committee assists the Executive Committee to promote a safe, healthy and enabling environment. The Committee shall be responsible for research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council and advising the Executive Committee **on all policy matters** ensuring appropriate systems and procedures.

- Receive reports and evaluate progress on Human Resources, Administrative and Communication issues.

- Make recommendations on legislation and policies relating to Human Resources, Administrative Finance and Communication matters.
- Matters related to the job evaluation and grading of staff.
- Performance Management that is cascaded to employees below Section 56 Managers.
- Implementation of new structures and strategies.
- Ensuring that administrative systems and processes of Sisonke District Municipality are in line with National principles e.g. Batho Pele principles.
- Deliberate on all finance related matters.
- Deliberate on Communication matters.
- Assist the Executive Committee in the allocation if applicable, the distribution of grants made to the District Municipality such as LGSETA grants.
- Monitoring of Workplace Skills Plan and all other related programmes.
- Assist the Executive Committee in water tariffs related matters by developing revenue enhancement strategy.
- Policy decisions relating to:
  - The recruitment, selection and appointment of persons as staff members.
  - The monitoring, measuring and evaluating performance of staff.
  - The dismissal and retrenchment of staff
  - Conditions of service for employees
  - Labour Relations matters
  - Human Resources Development
  - Transformation and diversity management
- Any other matters related to:
  - General Administration
  - Security Services
  - Organisational Development

- Committees Management an Administration
- Registry Services
- Information Communication Technology Management
- Communication

**(d) Social Services and Development Planning committee**

The Social Services and Development Planning Committee assists the Executive Committee to promote a safe, healthy and enabling environment. The Committee shall be responsible for undertaking research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council, in each case advising the Executive Committee:-

- Social Development strategies for all sectors of the District community, including but not limited to Senior Citizens, Youth, Women (Gender issues), children and people with disabilities.
- Environmental Health System: the planning and development of a system and mechanisms to implement an effective and efficient environmental health system.
- Sports and Recreation, Heritage, Arts and Culture: coordinating and initiating programmes and projects aimed at developing the skills, knowledge, talent and participating in social regeneration of all sectors of the community.
- Disaster Management: planning and local economic including disaster mitigation i.e. put measures in place to deal with disaster should it happen.
- The Committee shall approve development applications.
- The Committee will work in promoting Tourism within the District.
- Establishment of poverty alleviation initiatives
- The Committee shall monitor progress and use of land after transfer.
- Revitalisation of declining towns.
- Encouragement livable and sustainable human settlements.
- Development of sector plans and monitor that sector plans are undertaken.
- Undertaking any other related functions which may be requested by the Committee from the Executive Committee.
- Receive reports and evaluate progress.

**(e) Municipal Public Accounts committee**

Audit Report on annual financial statements of the Municipality, Any reports issued by the Auditor- General on the Affairs of the Harry Gwala District Municipality, and the annual report of the municipality.

The Mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality; and any other financial statement or reports referred to MPAC by the Council. Any information relating to personnel; books of account, records, assets and liabilities of the council. Relevant information that may be required for the purpose fulfilling its mandate, MPAC may report on or make recommendations in relation to any of the reports or financial statements which it may examine.

In its examination (mentioned in 2) MPAC must take into account previous statements and reports and consider the degree to which previously identified shortcomings have been rectified. The Committee must report to council on its findings. The Committee shall initiate and develop the annual Oversight report on the Municipality's Annual Report.

The Committee may initiate, direct and supervise investigations referred to it and render an opinion on such recommendations. MPAC may consider any Audit Committee recommendations referred to it and render an opinion on such recommendations. The Committee may request or invite members of the public to attend any meeting of the Committee (section 16 (1) of the Municipal System Act, 2000) to assist it with the performance of its function. MPAC may co-opt advisory members or experts to advise the Committee in its deliberations, provided that such persons may not vote of any matter.

**(f) Audit committee**

Section 166 of the Municipal Finance Management Act, 1998 requires every municipality to have an Audit Committee which must serve the purpose of being an independent advisory body to the council, political office bearers, and the municipal manager in his role as accounting officer, management and staff. The audit Committee is required to consider any matters relating to financial affairs of the municipality and any risk, internal and external audit matters. The Committee must review and assess the qualitative aspects of financial reporting, the municipality's processes and compliance with significant applicable legal, ethical regulatory requirements.

**The advisory role of the Audit Committee is related to matters including:**

- internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;

- effective governance;
- compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- Any other issues referred to it by the municipality.
- The Committee must review the financial statements to provide council with a credible view of the financial position of the municipality. It must respond to any issues raised by the Auditor-General in the audit report and carry out any investigations into the financial affairs of the municipality which the council requests.

**(g) Infrastructure services committee**

The Municipal Structures Act, 117 of 1998 prescribes the methodology for the establishment of Municipal Council Committees. The Infrastructure Committee (hereby referred to as the "Committee" is established in terms of Section 80 of the Municipal Structures Act.

The object of the Infrastructure Committee is to assist the Executive Committee to promote service delivery with the District Municipality.

The Committee shall be responsible for undertaking research, planning and recommendation of best methods and strategies with respect to the following functions of the Municipal Council, in each case advising the Executive Committee. The functions of the Infrastructure Committee are tabulated as follows:

- Bulk electricity supply which includes for the purposes of such supply, the transmission, distribution and where applicable the generation of electricity.
- Bulk sewage reticulation infrastructure (including bulk water reticulation and domestic waste water) and solid waste disposal.
- Solid waste disposal infrastructure relating to the determination of waste of waste disposal strategy.
- Establishment operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities.
- Municipal roads which form an integral part of a road transport system for the area of the district, municipality as a whole. Any other municipal public works allocated to the municipality.

- The Infrastructure Committee shall advise the Executive Committee on all fiscal and other incentives designed to promote infrastructure development.
- Overseeing of the implementation of infrastructure projects.
- Prioritization of infrastructure development projects and recommend to the Executive Committee Support administration in community liaison issues relevant to infrastructure development.
- Represent Council in Seminars/workshops related to Infrastructure development.
- The Committee must recommend the provision/approval of funds for unforeseen infrastructural improvements.
- Overseeing the implementation of projects and support committees relevant to community development.

**(h) Water and Sanitation services committee**

The Municipal Structures Act, 117 of 1998 prescribes the methodology for the establishment of Municipal Council Committees. The Water and Sanitation Committee (hereby referred to as the "Committee" is established in terms of Section 80 of the Municipal Structures Act.

This Committee provides to the Executive Committee, recommendations on legislation and policies relating to the following functions:

- Water,
- Sanitation,
- Ensure that all Safety issues relating to the above are adhered to,
- Legislative compliance,
- Receive progress reports on the issues mentioned above and evaluate progress.
- Responsible to assist the Executive Committee in the coordination of functions pertaining to its portfolio. Considering reports from the designated officials for the portfolio, or other functionary and submit its recommendations on such issues to the Executive Committee.
- Perform any duties and exercise any powers delegated to it by the Executive Committee.

- May sub-delegate any duty or power delegated to it by the Executive Committee to any Political Office Bearer or the Municipal Manager.

May within the limits of any Policy Directives of the Executive Committee and adopted Integrated Development Plan issue policy directives to any Political Office Bearer or the Municipal Manager to whom discretion has been sub-delegated by it for the exercise of any power by such a person under such sub-delegation.

To assist the Executive Committee to promote a safe and healthy environment by advising the Executive Committee on:

-All policies and bylaws for the water and sanitation services

-The review of those bylaws, regulations, rules and tariffs that regulate and arise out of matters within the Terms of Reference of the Committee and the proposal of amendments and additions thereto.

- Appoint from within its membership a sub-committee with powers to co-opt such other members as the sub-committee deem fit, to consider and report to the Committee on any matter falling within its terms of reference.

- Recommend to the Executive Committee strategies, programs and services to address water and sanitation needs through the water services development plan and Integrated Development Plan; taking into account any applicable national and provincial development strategies and recommend or determine the best methods, including partnership and other approaches, to deliver water and sanitation services, programs and services to the maximum benefit of the community.

- Oversee random water quality testing undertaken within the district municipality The Water and Sanitation Committee in performing its duties must: Identify and develop criteria in terms of which progress in the implementation of water and sanitation strategies, programs and services it recommended to the Executive Committee can be evaluated, including key performance indicators which are specific to the Municipality and common to local government and water sector in general evaluate progress against the key performance indicators, which include provision of water and sanitation.

- Monitor water services administration.

- Oversee the provision of water and basic sanitation services to the community in a sustainable manner, in compliance with Section 3 of the Water Services Act.

- Ensure that regard is given of particular scheme specific and reports on the effect of consultation on the decisions of the Executive Committee.

- Make recommendations to the Executive Committee about provision of water services to areas outside the district municipality.
- To report to the Executive Committee on all decisions and resolutions taken by it where necessary, make a request to the district municipality for financial, technical and administrative support services for unforeseen water development services, planning and provision related matters.

#### APPENDIX C: Third tier administrative structure

Third Tier Administrative Structure		
Departments	Directorate	Director/Manager (Title and name)
Corporate Services	ED: Corporate Services	Ms. N. Lungwengwe
Human Resource Management	Director: HR	Mrs. P. Cele
Administration	Director: Administration	Mr. T. Ndaba
Social Services and Development Planning	ED: Social and Development Planning	Ms. NC James (the position was vacated in May 2019)
IDP / PMS	Director: IDP / PMS	Mr. Z. Mtolo
Planning and Development	Director: Development Planning	Mr. L Zondi
Special Programmes	Director: Special Programmes	Mr. R. Langa
Social Services	Director: Social Services	Ms. T.T Mahlaba
Water & Sanitation	ED: Water & Sanitation	Mr. D. Gqiba
Operations and Maintenance	Director: O & M	Mr. SK Ngcobo
Design and Planning	Director: Design & Planning	Mr. S. Ngcobo
Governance	Director: Governance	Ms. N. Nkabane (the position was vacated in May 2019)
Infrastructure	ED: Infrastructure	Mr. B. Makwakwa
Project Management Unit	Director: Project Management Unit	Mr. M Mpepeto
Municipal Works	Director: Municipal Works	Mrs. H Ngcobo
Professional Services	Director: Professional Services	Mr. M Cele
Budget and Treasury Office	ED: Budget and Treasury Office	Mr M Mkatu
Supply Chain Management	Director: SCM	Ms. T. Dandala
Income and Expenditure	Director: Income & Expenditure	Mr. X Dlamuka (Acting)
Budgeting and Reporting / Accounting Support / Financial Systems	Director: Budgeting and Reporting / Accounting Support / Financial Systems	Ms. A Nongalo

**Appendix D: Functions of municipal entity**

Municipal Functions	Function applicable to Municipality Y/N	Function applicable to Entity Y/N
Air pollution	N	N
Firefighting services	N	N
Local tourism	N	Y
Municipal planning	Y	N
Municipal health services	Y	N
Water and sanitation services	Y	N
Cemeteries, funeral parlours and crematoria	N	N
Cleansing	N	N
Control of public nuisances	N	N
Markets	N	Y
Municipal abattoirs	N	N
Municipal parks and recreation	N	N
Municipal roads	Y	N
Public places	N	N
Noise pollution	N	N
Refuse removal, refuse dumps and solid waste disposal	N	N

**Appendix E: Ward reporting**

**Local municipality function**

**Appendix F: Ward information**

**Local municipality function**

**Appendix G: Recommendations of the municipal audit committee**

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**Appendix H: Long term contract and public private partnership**

None

**Appendix I: Municipal entity service provider performance schedule**

N/A

**Appendix J: Disclosure of financial interest**

Period 1 July to 30 June 2019		
Position	Name	Description of Financial interest
Mayor	Cllr ME Ndobe	N/A
Member of Executive Committee	Cllr N H Duma	N/A
Member of Executive Committee	Cllr N Mavuka	N/A
Member of Executive Committee	Cllr BP Nzimande	N/A
Member of Executive Committee	Cllr LG Seja	N/A
Municipal Manager	Mrs. N Dlamini	N/A
Chief Financial Officer	Mr. M Mkatu	N/A
Section 56 officials	Mr. B Makwakwa	Yes
	Mr. D Gqiba	N/A
	Ms. N Lungwengwe	N/A

**Appendix K: Revenue collection performance**

**K (1). Revenue collection performance by category**

<u>TOTALING CATEGORY DESC</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>	<u>150 DAYS</u>	<u>TOTAL</u>
BASIC SEWERAGE	143,318.19	141,941.64	140,902.73	140,542.06	139,990.07	4,592,184.41	5,298,879.10
BASIC WATER	301,500.19	299,984.08	298,185.82	297,558.75	296,538.82	15,615,772.64	17,109,540.30
DEPOSIT	14,043.25	5,883.77	2,247.53	5,401.23	2,160.50	45,653.30	75,389.58
INTEREST	1,030,428.17	1,216,476.59	1,198,357.79	800,392.88	853,295.00	37,883,374.19	42,982,324.62
SEWERAGE SERVICES	1,413,867.95	1,107,169.59	1,028,032.10	840,034.51	841,580.05	32,902,176.07	38,132,860.27
SUNDRIES	-	-	20,934.98	-	-	745,289.07	766,224.05
WATER	5,404,918.62	3,903,262.87	3,412,574.88	2,631,380.73	2,458,187.76	55,467,936.91	73,278,261.77
<b>TOTALING CATEGORY</b>	<b>8,308,076.37</b>	<b>6,674,718.54</b>	<b>6,101,235.83</b>	<b>4,715,310.16</b>	<b>4,591,752.20</b>	<b>147,252,386.59</b>	<b>177,643,479.69</b>

**K (2). Revenue collection performance by source**

<u>DEBTOR TYPE DESC</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>	<u>150 DAYS</u>	<u>TOTAL</u>
DOMESTIC	4,209,574.37	4,165,002.45	3,888,228.26	3,530,684.64	3,230,169.01	111,497,140.04	130,520,798.77
BUSINESS	814,529.80	573,018.90	641,265.16	313,810.66	348,941.97	7,829,090.79	10,520,657.28
INDIGENTS	562,447.16	573,183.10	531,843.99	458,886.12	613,184.97	22,169,913.64	24,909,458.98
CHURCH	20,850.70	27,141.76	13,194.65	14,574.12	10,670.59	354,167.46	440,599.28
MUNICIPAL	108,819.99	39,367.15	54,844.70	29,585.02	64,338.58	582,192.02	879,147.46
EDUCATION	177,724.40	172,585.27	76,913.42	108,890.81	64,125.85	797,745.00	1,397,984.75
DEPARTMENT OF HEALTH	890,594.44	652,885.29	469,011.12	8,441.95	8,378.65	169,128.83	2,198,440.28
KZN WILDLIFE	27,439.25	619.67	708.13	518.41	675.20	6,141.24	36,101.90
PARA-STATAL	18,381.65	18,030.66	18,182.10	1,935.73	3,142.59	108,080.33	167,753.06
DEPARTMENT OF WELFARE	20,630.96	7,326.29	13,705.85	6,320.49	5,960.19	21,915.73	75,859.51
OLD AGE HOMES AND ORPHANAGES	35,226.83	43,357.52	44,342.15	35,756.98	49,619.28	1,371,912.98	1,580,215.74
SPORTS CLUBS	16,102.94	8,863.88	15,702.52	6,976.28	6,633.95	525,976.66	580,256.23
DEPARTMENT OF PUBLIC WORKS	1,138,582.62	178,612.86	108,053.93	52,505.23	39,042.09	357,608.04	1,874,404.77
DEPARTMENT OF TRANSPORT	155,858.66	153,382.38	156,214.67	113,282.06	111,559.62	518,693.19	1,208,990.58
DEPARTMENT OF SOCIAL DEVELOPMENT	53,099.30	12,966.06	23,906.07	3,353.13	243.48	3,603.43	97,171.47
HOTELS	12,367.62	10,902.60	11,017.76	7,623.70	6,735.43	233,848.93	282,496.04
DEPARTMENT OTHER	32,508.82	26,840.09	26,845.94	18,680.83	24,068.68	664,187.04	793,131.40
DEPARTMENT OF AGRICULTURE	3,275.23	2,215.41	2,623.90	272.36	354.27	4,732.25	13,473.42
DEPARTMENT OF EDUCATION	6,445.85	5,863.30	228.09	913.78	1,166.89	3,160.14	17,778.05
GOVERNMENT	0.24	-	18.75	45.68	-	-	64.67
INDUSTRIAL	3,615.54	2,553.90	4,384.67	2,252.18	2,740.91	33,148.85	48,696.05
<b>DEBTOR TYPES</b>	<b>8,308,076.37</b>	<b>6,674,718.54</b>	<b>6,101,235.83</b>	<b>4,715,310.16</b>	<b>4,591,752.20</b>	<b>147,252,386.59</b>	<b>#####</b>

**Appendix L: Conditional grants received: excluding MIG**

Description	Budget Year 2018/19					
	Major Conditions	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Transfers and Grants</b>						
<b>National Government:</b>						
		5 744	5 744	5 744	-	
Finance Management	Internship, Budget and Treasury Capacity Building, Preparation of Annual Financial Statement	1 000	1 000	1 000	-	100%
Rural Roads Asset Management Grant	To set up rural road asset management systems and collect road and traffic data in line with the road infrastructure strategic framework	2 226	2 226	2 226	-	100%
Expanded public works programme incentive grant	Provide poverty and income relief through temporary work of the unemployed to carry out social useful activities	2 518	2 518	2 518	-	100%
<b>Total operating expenditure of Transfers and Grants:</b>		<b>5 744</b>	<b>5 744</b>	<b>5 744</b>	<b>-</b>	<b>100%</b>

**Appendix M: Capital expenditure: including MIG**

**M (1): Capital expenditure- new assets programme**

The municipality does not have new assets

**M (2): Capital expenditure – upgrade/ renewal programme**

Capital Infrastructure Refurbishment/Updgrade in Kokstad:(Kokstad Development)	CRU	R 7,552,608.67	R 7,552,608.67		R 7,124,294.36	WSIG
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Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of CBD Pipeline	R 7,552,608.67	R 7,552,608.67		R 4,653,579.47	WSIG
Nokweja/Mashumi Water Supply scheme Upgrade	-	R 5,330,240	R - 5,330,240	R 2,894,841.75	WSIG
Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of Mamiesa Developments	R 7,552,608.67	R 7,552,608.67		R 5,960,135.21	WSIG
KwaSpheni Water Supply Scheme	R 10 000 000	R 10 000 000	-	12 519 621,51	WSIG
Mariathal, Mandilini and Esperance Water Supply Project Phase 4	R 4,086,764.00	R 3,000,000	-R13 086 764.00	R 2,518,073.71	WSIG
Capital Infrastructure Refurbishment Upgrade in Umzimkhulu	R 8,266,470.00	R 5,906,086	-R 2 360 384	R 3,390,044.90	WSIG
KwaSpheni Water Supply Scheme	R 24,170,156.69	R 3,616,500	R 20 553 656.69	R 2,951,077.76	WSIG
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Jolivet Water Supply	R 6,973,184.00	R 6 884 822.00		R 4,619,003.24	WSIG
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Mhlabashana Water Supply	R 5 731 335.50	R 4 390 000.00		R 4,389,552.71	WSIG
Water Supply for Identified Villages under Umzimkhulu Jurisdiction	R 7,666,470.00			R 3,618,024.83	WSIG

Capital Infrastructure Refurbishment Upgrade in Dr. NDZ (Underberg)	R 7,918,425.00			R 7,596,667.55	WSIG
Capital Infrastructure Refurbishment Upgrade in Umzimkhulu (Riverside)	R 8,266,470.00			R 2,281,800.59	WSIG
uMzimkhulu Sanitation				R 5,469,258.17	WSIG
Capital Infrastructure Refurbishment Upgrade in Dr. NDZ	R 7,918,425.00			R 3,997,164.58	WSIG
NDZ, Kokstad and Ubuhlebezwe Sanitation			-R11 358 961.52	R 11,358,961.52	WSIG
KwaSpheni, Maxhini, Ntekaneni and Seaford	R 1,000,000.00	R 3,616,500		R 244,090.00	WSIG

**Appendix N: Capital programme by project current year**

PROJECT DESCRIPTION	Budget	Adjusted Budget	Variance	EXPENDITURE 2018/19	SOURCE OF FUNDING
Underberg Bulk Water Supply Upgrade Phase 2 (AFA) MIS 180557: Mechanical equipment installation and diesel generator installed, upgrading of rising main	R10 000 000.00	R 7 071 755,22	R 2 928 245,00	R 7 603 372,42	MIG
Kokstad Bulk Water and Sewer Upgrade (Shayamoya Sewer Emergency Intervention)	-	R37 210 443,40	R37 210 443,40	R 28 914 803,12	MIG

Mqatsheni Stepmore Water Project (AFA) MIS 201756 (AFA) MIS 224919	R 4 000 000	R 1 500 000.00	R2 500 000.00	R 4 465 736,52	MIG
Eradication of Sanitation Backlog in Ubuhlebezwe		R 10 000 000	-R 10 000 000	R 7 141 493,76	MIG
Greater Umzimkhulu Sanitation Project	R 5 000 000	R 8 000 000	-R 3 000 000	R 21 927 185,31	MIG
Horseshoe Sanitation Project-New (AFA) MIS 224972	R 10 000 000	R 29 640 603,71	-R 19 640 604	R 16 771 267,28	MIG
Khukhulela Water Supply	R 3 000 000	R 387 817,60	R 2 612 182	R 384 817,60	MIG
Makhoba Housing Bulk (Argylle and Springfontein)	R 3 000 000	R 4 500 000,00	-R 1 500 000	R 0.00	MIG
Santombe (Mnqumeni) Water Supply - Phase 4	R 20 446 108	R 22 164 196,63	-R 1 718 089	R20 186 670,41	MIG
Greater Kilimon Water Supply Project	R 3 000 000.00	R 3 000 000.00	R 0.00	R0.00	MIG
Greater Mbhulelweni Water Supply	R 2 555 100	R 2 555 100,00	R 0.00	R0.00	MIG
Umkhunya Water Supply Schemes (AFA) MIS 224801	R 18 029 000	R 3 704 074,14	R 14 324 926	R809 685,26	MIG
Greater Nomandlovu Water Supply Project Phase 2	R 6 000 000	R 4 752 689,05	R 1 247 311	R3 127 268,49	MIG
Bulwer-Nkelabantwana-Nkumba Water Supply Project	R 5 500 000	R 5 500 000.00	R 0.00	R0.00	MIG
Greater Summerfield Water Project	R 30 099 000	R13 207 185,94	R 16 891 814	R 21 490 524,08	MIG
Ncakubana Water Supply Scheme Phase 2 and 3	R 6 000 000	R 13 769 480,40	-R 7 769 480.00	R 8 802 459,81	MIG
KwaMey-Theekloof Water Supply Project (Ward 11,13 and 14)	R 13 390 792	R 6 602 101,06	R 6 788 691	R 6 361 770,53	MIG

Reticulation & Upgrade of Fairview and Ixopo town sewer	R 13 000 000	R 13 000 000.00	R0.00	R 7 250 179,77	MIG
Kokstad WW & Sewer Upgrade	R 10 000 000-	-	-	R0,00	MIG
Gala Donnybrook Water Supply	R 6 000 000	R 11 834 322,46	-R 5 834 322	R 10 642 749,75	MIG
Ixopo Hopewell Water Supply	R 4 000 000	R 250 832,10	R 3 749 168	R 288 456,91	MIG
Ibisi Housing Sewer Services	R3 000 000	R0.00	R3 000 000,00	R0,00	MIG
PMU	-	-	-	R 1 325 942,11	MIG
<b>TOTAL EXPENDITURE ON MIG 2018/2019FY</b>				<b>172 089 333,36</b>	
Capital Infrastructure Refurbishment/Updgrade in Kokstad:(Kokstad CRU Development)	R 7,552,608.67	R 7,552,608.67		R 7,124,294.36	WSIG
Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of CBD Pipeline	R 7,552,608.67	R 7,552,608.67		R 4,653,579.47	WSIG
Nokweja/Mashumi Water Supply scheme Updgrade	-	R 5,330,240	R -5,330,240	R 2,894,841.75	WSIG
Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of Mamiesa Developments	R 7,552,608.67	R 7,552,608.67		R 5,960,135.21	WSIG
KwaSpheni Water Supply Scheme	R 10 000 000	R 10 000 000	-	12 519 621,51	WSIG
Mariathal, Mandilini and Esperance Water Supply Project Phase 4	R 4,086,764.00	R 3,000,000	-R13 086 764.00	R 2,518,073.71	WSIG

Capital Infrastructure Refurbishment Upgrade in Umzimkhulu	R 8,266,470.00	R 5,906,086	-R 2 360 384	R 3,390,044.90	WSIG
KwaSpheni Water Supply Scheme	R 24,170,156.69	R 3,616,500	R 20 553 656.69	R 2,951,077.76	WSIG
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Jolivet Water Supply	R 6,973,184.00	R 6 884 822.00		R 4,619,003.24	WSIG
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Mhlabashana Water Supply	R 5 731 335.50	R 4 390 000.00		R 4,389,552.71	WSIG
Water Supply for Identified Villages under Umzimkhulu Jurisdiction	R 7,666,470.00			R 3,618,024.83	WSIG
Capital Infrastructure Refurbishment Upgrade in Dr. NDZ (Underberg)	R 7,918,425.00			R 7,596,667.55	WSIG
Capital Infrastructure Refurbishment Upgrade in Umzimkhulu (Riverside)	R 8,266,470.00			R 2,281,800.59	WSIG
uMzimkhulu Sanitation				R 5,469,258.17	WSIG
Capital Infrastructure Refurbishment Upgrade in Dr. NDZ	R 7,918,425.00			R 3,997,164.58	WSIG
NDZ, Kokstad and Ubuhlebezwe Sanitation			-R11 358 961.52	R 11,358,961.52	WSIG

KwaSpheni, Maxhini, Ntekaneni and Seaford	R 1,000,000.00	R 3,616,500		R 244,090.00	WSIG
TOTAL EXPENDITURE FOR WSIG 2018/19	R 80 400 000	-	-	R 80 400 000.00	
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	R 70 000 000	R 70 000 000	-	70 000 000	RBIG
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Bulwer Emergency to Gala	R3,723,742.45	R3,723,742.45		R 3,723,742.45	RBIG
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Bulwer Emergency to Mawuleni	R10,092,518.30	R 10,092,518.30		R 10,092,518.30	RBIG
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Sappi/Ngudwini to Emnywaneni	R16,120,443.17	R 16,120,443.17		R 16,120,443.17	RBIG
Greater Bulwer Donnybrook Water Supply Scheme: Construction of Ixopo Augmentation 10ML Concrete reservoir in Chibini	R 8,437,883.39	R 8,437,883.39		R 8,437,883.39	RBIG
Professional Fees for All villages covered under RBIG	R20,066,569.72	R 20,066,569.72		R 20,066,569.72	RBIG
TOTAL EXPENDITURE FOR RBIG 2018/19	-	-	-	R 70 000 000	

**Appendix O: Capital programme by project by ward current year**

<b>PROJECT DESCRIPTION</b>	<b>EXPENDITURE 2018/19</b>	<b>SOURCE OF FUNDING</b>	<b>WARD</b>	<b>PROGRESS TO DATE</b>
Underberg Bulk Water Supply Upgrade Phase 2 (AFA) MIS 180557: Mechanical equipment installation and diesel generator installed, upgrading of rising main	R 7 603 372,42	MIG	3	The Project is currently under practical completion and we are now waiting for Eskom to come and do the connections.
Kokstad Bulk Water and Sewer Upgrade	R 28 914 803,12	MIG	1	The contractor has completed portion 1 and on portion 2 is currently approaching the practical completion stage .
Mqatsheni Stepmore Water Project (AFA) MIS 201756 (AFA) MIS 224919	R 4 465 736,52	MIG	1	Project completed. Next Phase designs completed
Eradication of Sanitation Backlog in Ubuhlebezwe	R 7 141 493,76	MIG	All wards	Under Construction currently sitting at 35 %
Greater Umzimkhulu Sanitation Project	R 21 927 185,31	MIG	All Wards	Under Construction for the 1800 structures currently sitting at 30 %
Horseshoe Sanitation Project-New (AFA) MIS 224972	R16 771 267,28	MIG	1	The 4 Contracts that were implemented at the start of the financial year are at Practical Completion Stage and further 3 contracts are now under construction.
Makhoba Housing Bulk (Argylle)	R,00	MIG	5	The project has been re-advertised for appointment of contractors.

Santombe (Mnqumeni) Water Supply - Phase 4	R20 186 670,41	MIG	12,13, & 14	3 Contracts at Practical Completion Stage and 1 is under construction
Greater Kilimon Water Supply Project	R 2 294 250,00	MIG	1	Currently under designs
Greater Mbhulelweni Water Supply	R0.00	MIG	3	Under Designs
Umkhunya Water Supply Schemes (AFA) MIS 224801	R 809 685,26	MIG	5	On Hold- due to an appeal"
Greater Nomandlovu Water Supply Project Phase 2	R 3 127 268,49	MIG	11	Designs have been completed for the bulk line and to be advertised for the appointment of contractor
Bulwer-Nkelabantwana-Nkumba Water Supply Project	7,201,236.29	MIG	10	Under Designs
Greater Summerfield Water Project	R21 490 524,08	MIG	15	Under Construction. M and E contract currently waiting for the delivery of materials
Ncakubana Water Supply Scheme	R 8 802 459,81	MIG	1	The project is currently under construction and sitting at 90 % progress
KwaMay-Theekloof Water Supply Project (Ward 11,13 and 14)	R 6 361 770,53	MIG	11,13 & 14	The project is currently under construction and sitting at 14 % progress
Reticulation & Upgrade of Fairview and Ixopo town sewer	R 7 250 179,77	MIG	4	The project is currently under construction and sitting at 60 % progress
Gala Donnybrook Water Supply	R 10 642 749,75	MIG	6 and 7	The project is currently under construction and sitting at 86 % progress
PMU	R 1 325 942,11	MIG		
<b>TOTAL EXPENDITURE ON MIG 2017/2018FY</b>	<b>172 089 333,36</b>			

Capital Infrastructure Refurbishment/Updgrade in Kokstad:(Kokstad CRU Development)	R 7,124,294.36	WSIG	1&3	65% Construction
Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of CBD Pipeline	R 4,653,579.47	WSIG	1&3	67% Construction
Nokweja/Mashumi Water Supply scheme Upgade	R 2,894,841.75	WSIG	13	97% Construction
Capital Infrastructure Refurbishment Upgrade in Kokstad: Upgrade of Mamiesa Developments	R 5,960,135.21	WSIG	1&3	70% Construction
KwaSpheni Water Supply Scheme	12 519 621,51	WSIG	5	5% Construction
Mariathal, Mandilini and Esperance Water Supply Project Phase 4	R 2,518,073.71	WSIG	4	Site Establishment
Capital Infrastructure Refurbishment Upgrade in Umzimkhulu (Magcakini)	R 3,390,044.90	WSIG	6	80% Construction
KwaSpheni Water Supply Scheme	R 2,951,077.76	WSIG	5	100%
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Jolivet Water Supply	R 4,619,003.24	WSIG	7	86% Construction
Capital Infrastructure Refurbishment Upgrade in Ubuhlebezwe: Upgrade of Mhlabashana Water Supply	R 4,389,552.71	WSIG	10,13	59% Construction

Water Supply for Identified Villages under Umzimkhulu Jurisdiction	R 3,618,024.83	WSIG		55% Construction
Capital Infrastructure Refurbishment Upgrade in Dr. NDZ (Underberg)	R 7,596,667.55	WSIG	3	88% Construction
Capital Infrastructure Refurbishment Upgrade in Umzimkhulu (Riverside)	R 2,281,800.59	WSIG	2	5% Construction
uMzimkhulu Sanitation	R 5,469,258.17	WSIG		30% Construction
Capital Infrastructure Refurbishment Upgrade in Dr. NDZ	R 3,997,164.58	WSIG		45% Construction
NDZ, Kokstad and Ubuhlebezwe Sanitation	R 11,358,961.52	WSIG		90% Construction
KwaSpheni, Maxhini, Ntekaneni and Seaford	R 244,090.00	WSIG	13	5% Construction
TOTAL WSIG EXPENDITURE	R80 400 000.00			
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Bulwer Emergency to Gala	R 3,723,742.45	RBIG	07	94% Complete
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Bulwer Emergency to Mawuleni	R 10,092,518.30	RBIG	14	95% Complete
Greater Bulwer Donnybrook Water Supply Scheme: Construction of bulk pipeline from Sappi/Ngudwini to Emnywaneni	R 16,120,443.17	RBIG		42% Complete
Greater Bulwer Donnybrook Water Supply Scheme: Construction of Ixopo	R 8,437,883.39	RBIG	02,03 &04	91% Complete

Augmentation 10ML Concrete reservoir in Chibini				
Professional Fees for All villages covered under RBIG	R20,066,569.2	RBIG	02,03,04,07,14	
Total RBIG Expenditure R 70 000 000				

**Appendix P: Service connection backlog at schools and clinics**

N/A

**Appendix Q: Service backlog experienced by community where another sphere of government is responsible for service provision.**

Information can be sourced from various government nerve centres.

**Appendix R: Declaration of loans and grants made by the municipality**

There are no loans made by the Municipalities to any organizations, institutions or person. The only grants made by the Municipality in the reporting period under review relate to a grants paid to the Harry Gwala Development Agency for the funding of the projects listed below. This grants were initially received by the Municipality from the Corporative Governance & Traditional Affairs Department.

**Appendix S: Declaration of returns made not made in due time under section 71 of the MFMA**

The tables that follow show a declaration of the number of returns that were not submitted in due time in terms of section 71 of the MFMA. These types of returns have been grouped into Annual, Six Monthly, Quarterly and Monthly returns. It should be highlighted though that there were no outstanding returns as at the end of the reporting period.

	NUMBER OF RETURNS	
MONTHLY RETURNS	DUE PER YEAR	NOT SUBMITTED IN DUE TIME
OSA	12	0
CFA	12	4
CAA	12	4
BSAC	12	8
AC	12	4
AD	12	4
RME	12	4
EEDG	12	0
PWPG	12	4
RBIG	12	4
RTSG	12	4
FMG	12	4
MIG	12	4
WSIG	12	4
<b>TOTAL</b>	<b>168</b>	<b>52</b>
Percentage Monthly returns not submitted in due time		31%

ANNUAL RETURNS	NO. OF RETURNS	
	DUE PER YEAR	NOT MADE IN DUE TIME
Asset Management	1	0
Capital Acquisition Adjusted	1	0
Capital Acquisition Audited	1	0
Capital Acquisition Pre-Audit	1	0
Cash Flow Adjusted	1	0
Cash Flow Audited	1	0
Cash Flow Budget	1	0
Cash Flow Pre-Audit	1	0
Financial Performance Adjusted	1	0
Financial Performance Audited	1	0
Financial Performance Budget	1	0
Financial Performance Pre-Audit	1	0
Financial Position Adjusted	1	0
Financial Position Audited	1	0
Financial Position Budget	1	0
Financial Position Pre-Audit	1	0
Grants and Subsidies Given	1	0
Grants and Subsidies Given	1	0
IDP to BUDGET	1	0
<b>TOTAL</b>	<b>19</b>	<b>0</b>
Percentage Annual Returns Not Submitted in Due Time		<b>0%</b>
<b>QUARTERLY RETURNS</b>		
MFMA Implementation Priorities	4	0
Borrowing and Monitoring	4	0
MFMA Long Term Contracts	4	0
MFMA Municipal Entity	4	0
<b>TOTAL</b>	<b>16</b>	<b>0</b>
Percentage Quarterly Returns Not Submitted in Due Time		<b>0%</b>
<b>SIX MONTHLY RETURN</b>		
MFMA Competency	2	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>
Percentage Six Monthly Return Not Submitted in Due Time		<b>0%</b>

**Appendix T: National and Provincial outcome for local government**

**None**

Appendix U: Auditor General's Action Plan



**HARRY GWALA DISTRICT MUNICIPALITY**

**AUDITOR GENERAL'S ACTION PLAN**  
**AUDIT REPORT 2018/2019**

No.	FINDING	ACTION TO RESOLVE QUERY	RESPONSIBLE PERSON	TARGET DATE	PROGRESS MADE	STATUS	EVIDENCE	REASON FOR PROGRESS NOT DONE
	Limitation of scope	Finalization of Consumer data cleansing project for the existing <b>12 413</b> Consumers by 30 June 2019	CFO	30 June 2019	<ul style="list-style-type: none"> <li>❖ 8692 signed forms with ID copies</li> <li>❖ 1804 signed forms (NO IDs provided)</li> <li>❖ 1917 Non cooperating Consumers</li> </ul> <p><b>NB The total we have is 12413 consumers due to write offs and removal of inactive accounts as well as accounts of the deceased.</b></p>	In progress	<p>Signed Agreement forms with ID Copies</p> <p>Updated Consumer database</p>	EPWP has assisted with collecting signed agreements and ID documents as a result the figure of signed forms with IDs has increased and the figures of unsigned forms has decreased. Currently temporal plumbers are assisting on disconnecting water supply for non-cooperating consumers. The activation of 476 smart meters to prepaid at EXT 7 has been completed. Councillors from UMzimkhulu and Kokstad town have arranged community meetings to address the issue of non-cooperating consumers.
<b>PROPERTY, PLANT &amp; EQUIPMENT-WATER RETICULATION</b>								
No.	FINDING	ACTION TO RESOLVE QUERY	RESPONSIBLE PERSON	TARGET DATE	PROGRESS MADE	STATUS	EVIDENCE	REASON FOR PROGRESS NOT DONE
	Transfer of Infrastructure assets- Water reticulation as a result of	Obtain a Fixed Asset Register extract from UGU District Municipality	CFO & HOD: Water Services	Jan 2019	Fixed asset register was requested from UGU DM, however it did not agree to the assets on the ground.	Done	Fixed Asset Register extract from UGU District Municipality	



		FAR extract in respect of Ncwadi  Water Project, Conditional assessment report, extract of Council resolution			conditional assessment report) has been tabled to Msunduzi Local Municipality.		register of the meeting with Msunduzi Local Municipality	
		Remove Ncwadi Water Project from the HGDM fixed asset register	CFO	February 2019	Assets relating to Ncwadi Water scheme has been removed from the asset register.	Done	Updated Fixed Asset Register	

**FINANCIAL SUSTAINABILITY**

No.	FINDING	ACTION TO RESOLVE QUERY	RESPONSIBLE PERSON	TARGET DATE	PROGRESS MADE	STATUS	EVIDENCE	REASON FOR PROGRESS NOT DONE
	Current liabilities exceeded current assets	To improve cash flows by increasing debt collection to 65% collection (February)	CFO	June 2019	Final demand letters have been sent to defaulting consumers.	Done	Billing and collection report	
		70% collection ( March-June 2019)	CFO	June 2019	We have strengthened our collection rate to 74% through disconnections however this is an ongoing exercise.	Done	Billing and collection report	
		Restrict the flow of water.	CFO	June 2019	We are sending termination letters and have a schedule of disconnections and reconnections. This is however an ongoing process as we continue with disconnecting when consumers do not pay.	In progress	Job Cards/signed schedule of issue of final demand notice.	This will be an ongoing exercise as long as we still have defaulting debtors.

		Expedite the activation of smart meters.	CFO	March 2019	Ext 7 Activation of smart meters was done.	In progress	List of activated meters and a sales report	We are only using 2 laptops for the activation and the focus was on Ext 7 where all consumers had smart meters. We had a meeting in the 1 <sup>st</sup> week of July with utility requesting the software and we now have the software that will be installed in municipal laptops as to activate all the smart meters except for Fairview and NDZ.
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**COMPLIANCE WITH LEGISLATION**

No.	FINDING	ACTION TO RESOLVE QUERY	RESPONSIBLE PERSON	TARGET DATE	PROGRESS MADE	STATUS	EVIDENCE	REASON FOR PROGRESS NOT DONE
	Effective steps not taken to prevent irregular expenditure	To develop a compliance checklist.	CFO	February 2019	None	Done	Compliance checklist	
		Prepare and table monthly reports on irregular expenditure incurred by the municipality to MANCO, EXCO and quarterly to MPAC.	CFO	March 2019	Report on irregular expenditure was tabled to EXCO and council, still to be tabled to the MPAC	In progress	Minutes	Report on irregular expenditure was tabled to EXCO and council, waiting for a response from MPAC
		Investigate the irregular expenditure and table the report to MPAC.	CFO	March 2019	None	Not done	MPAC minutes	Report on irregular expenditure was tabled to EXCO and council, waiting for a response from MPAC
		The municipality takes necessary steps to effect consequence management to the affected department.	MM	May 2019	None	Not done	Minutes of the disciplinary hearing	
	Effective steps not taken to prevent fruitless and wasteful expenditure	Update and maintain fruitless and wasteful	CFO	February 2019	We are still busy updating the register	In progress	Fruitless and wasteful expenditure	We are still busy updating the register on fruitless and wasteful expenditure

		expenditure register on a monthly basis.			on fruitless and wasteful expenditure		register and report	
		Prepare and table monthly reports on fruitless and wasteful expenditure incurred by the municipality to MANCO, EXCO and quarterly to MPAC.	CFO	February 2019	Report on irregular expenditure was tabled to EXCO and council, it is currently under investigation	In progress	Minutes	Report on irregular expenditure was tabled to EXCO and council, waiting for a response from MPAC
		Investigate the fruitless and wasteful expenditure and table the report to MPAC.	CFO	May 2019	Report on irregular expenditure was tabled to EXCO and council, it is currently under investigation	Not done	MPAC minutes	Report on irregular expenditure was tabled to EXCO and council waiting for a response from MPAC
		The municipality take necessary steps to recover monies from the affected department or an employee.	CFO	June 2019	None	Not done	Minutes of the disciplinary hearing	MPAC has not sat as yet
	Unauthorized, irregular, fruitless and wasteful expenditure not investigated	Develop a register for unauthorized expenditure.	CFO	February 2019	Register on irregular expenditure was developed	Done	Register	
		To analyse the budgetary control report so as to monitor monthly expenditure on budget	CFO	February 2019	Budgetary control report is prepared and submitted to heads of departments.	In progress	MANCO Minutes	
		Table the register to MANCO, EXCO and COUNCIL	CFO	March 2019			Minutes	Report on unauthorized, irregular, fruitless and wasteful expenditure was tabled to EXCO and council

		Activate Smart Meters	HOD: Water Services & CFO	February 2019	Smart meters in Ext 7 have been activated for prepaid.	In progress	List of smart meters activated and report of sales.	We are only using 2 laptops for the activation and the focus was on Ext 7 where all consumers had smart meters. We had a meeting in the 1 <sup>st</sup> week of July with utility requesting the software and we now have the software that will be installed in municipal laptops as to activate all the smart meters except for Fairview and NDZ.
		Investigate the Unauthorized expenditure and table the report to MPAC	CFO	May 2019	Report on unauthorized expenditure was tabled to EXCO and council, it is currently under investigation	Not done	MPAC Minutes	MPAC has not sat
		The municipality take necessary steps to implement consequence management to the affected department.	MM	June 2019	None	Not done		Minutes of the disciplinary hearing
	Material losses – water	The operation and maintenance team through its routine maintenance of the water distribution system attends to all leaks and pipes bursts	HOD: Water Services	February 2019	We attend to the pipes bursts and leaks within 48 hours.	In progress	Complaints register & Job cards	We do attend to pipe bursts and leaks within 48 hours of reporting. We are working on Reasebetsa system to assist with reporting.
		Awareness campaigns on illegal connections will be strengthened in all areas in order to reduce unauthorised consumption.	HOD: Water Services	March 2019	Awareness campaigns on Illegal Connections are being conducted and it is an on-going programme.	In progress	Attendance register	The exercise is ongoing.
		To prepare and review all monthly control	CFO	February 2019	Monthly reconciliations are	Ongoing	Monthly reconciliations	We will prepare the reconciliations now for the 4 <sup>th</sup> quarter.

	Annual Financial Statement- material misstatements of disclosure items not corrected	accounts reconciliations.			prepared on a monthly basis however for the 4 <sup>th</sup> quarter we have not closed off the month.			
		To review AFS before submission	CFO	July 2019		Not Due yet	AFS	AFS will be prepared and submitted to IA in August.
		To prepare Interim Financial statements	CFO	March 2019	Interim financial statements were prepared and submitted to IA for review	Done	Interim financial statements IA report	

**PROCUREMENT AND CONTRACT MANAGEMENT**

No.	FINDING	ACTION TO RESOLVE QUERY	RESPONSIBLE PERSON	TARGET DATE	PROGRESS MADE	STATUS	EVIDENCE	REASON FOR PROGRESS NOT DONE
	Required number of quotations not obtained	To update the SCM checklist	CFO	March 2019	updated the SCM checklist to ensure that the required number of quotations is obtained and checklist signed	Done	Checklist	
	Non-compliance with Preferential Procurement Regulations( Local content)	To review checklist to include local content and production requirements	CFO	February 2019	Updated the checklist to include local content and production requirements	Done	Checklist	
	Non-compliance with CIDB Act	To review SCM policy to include CIDB Act requirements	CFO	May 2019	None	Not done	Council resolution	Infrastructure and SCM have not set to review and make changes on the policy.
	Money owed not paid within 30 days	To improve cash flows by increasing debt collection to 65% collection (February)	CFO	February 2019	We have met 67% as at end February	Done	Billing and collection report	

		70% collection ( March-June 2019)	CFO	March 2019	We managed to make 74% on collection.	Done	Billing and collection report	
		Restrict the flow of water.	CFO	February 2019	We are sending termination letters and have a schedule of disconnections and reconnections. This is however an ongoing process as we continue with disconnecting when consumers do not pay.	In progress	Job cards	This will be an ongoing exercise as long as we still have defaulting debtors.
		Expedite the activation of smart meters.	HOD: Water Services & CFO	March 2019	Smart meters in Ext 7 have been activated for prepaid.	In progress	List of meters activated and sales report	We are only using 2 laptops for the activation and the focus was on Ext 7 where all consumers have smart meters. We had a meeting in the 1 <sup>st</sup> week of July with utility requesting the software and we now have the software that will be installed in municipal laptops as to activate all the smart meters except for Fairview and NDZ.

**PERFORMANCE MANAGEMENT**

	Performance agreements not signed within the prescribed period	To develop and monitor MFMA compliance checklist. The checklist will serve a constant reminder to the departments on the key dates for the institution as well as itemising the information required on specific dates.	ED: SSDP	February 2019	Done	Done	MFMA Checklist	
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	Performance management system not adopted	The performance management framework to be submitted in June with all other policies for approved by Council for the 2019-20 financial year	ED: SSDP	June 2019	None – Council will approve other policies in June 2019	In progress	Council Resolution	
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**VOLUME 1: ANNUAL PERFORMANCE REPORT (APR)**

**PRESENTED SEPARATELY**

**VOLUME 2: ANNUAL FINANCIAL STATEMENTS (APR)**

**PRESENTED SEPARATELY**