

NONGOMA LM DRAFT ANNUAL REPORT 2018/2019



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This Annual Report is compiled in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

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THE MAYOR'S FOREWORD



It is now public knowledge that Nongoma municipality is coming from a disastrous 2017/2018 Financial year considering the adverse opinion received from the Auditor General (AG).

As such, in the 2018/2019 FY, while the focus was on delivering our mandated services as per the Integrated Development Plan (IDP); the municipality embarked on a self-assessment exercise wherein through its audit action plan, it focused on addressing gaps identified by the AG .

The Annual Report 2018/19 provides detail on various infrastructure projects undertaken by the municipality on its effort to delivery its mandated services for the people of Nongoma municipality.

This annual report does not only provide the municipality with a platform to highlight it achievements in the financial year over review; through the annual performance report (APR), it also allows for retrospection which would culminate and be reflected in the reviewed Integrated Development Plan (IDP). Over and above, reporting on how the municipality has utilised its allocated budget is a prerequisite for an accountable local government.

Given the number of systems put in place, one remains positive of the improvement in terms of audit opinion. The municipality has been working, and it is still working, tirelessly in order to regain the trust and confident of all the interested and affected stakeholders.

One remains grateful to Council, the Deputy Mayor, the Executive Committee and the Municipal Manager, all of whom continue to guide our staff, resources and operations to make Nongoma municipality a better place.

Cllr M.A Mncwango
His Worship, the Mayor

THE MUNICIPAL MANAGER'S FOREWORD



This annual report reflects Nongoma Municipality's strategic focus and provides an overview on performance and Council's financial position for the 2018/2019 financial year. It also outlines various programmes managed by the municipal departments and their respective Sections/Units and how they have performed in achieving set targets, which are in line with the Integrated Development Plan (IDP) and Nongoma municipal council's budget.

While the 2018/2019 FY was clouded by the detrimental 2017/2018 adverse opinion; one is pleased to report that Nongoma municipality performed well and scored some notable achievements during the year under review. Details about its performance are contained elsewhere in this report, but one would like to highlight the following:

- At the end of the financial year under review; Nongoma Municipality received an accolade from Chartered Institute of Government Finance, Audit & Risk Officers, for being the “Best Performing Local Municipality” in the category of Back-to-Basics project as per COGTA's Performance report;
- The municipality developed and approved/adopted its Service Delivery Charter and Service Delivery Improvement Plan (SDIP) for 2019/2020 FY;
- In order to address findings on the previous financial year; the municipality compiled both the AG Action Plan and Internal Audit Action Plan. These 2 plans have been central to the Extend MANCO meetings;
- In the financial year over review; Nongoma municipality cascaded Performance Management System (PMS) to Managers below Section 56/54 Managers. All Line/Section Managers have therefore signed their respective performance plans for 2019/2020 FY;
- The municipality was able to spend all the MIG and INEP allocation during 2018/19 financial year, on the following 5 largest projects (Sgubudu Community Hall, Mankulumane gravel road, Bhuqwini gravel road, Sidinsi Electrification , and Phumanyova Electrification)

I would like to thank Council and, in particular, His Worship, the Mayor Cllr M.A Mncwango, his Executive Committee, Councillors and the Audit Committee members for their unwavering support. Their constructive leadership has allowed the staff to climb to great heights.

Nongoma Municipality's devoted staff has demonstrated time and again that they are well-equipped to overcome any challenges. Their dedication has enabled the municipality to deal with negative perceptions about the institution. I believe that through our newly-coined dictum: “***We will raise the bar of excellence and accountability by a margin of aptitude***”; Nongoma municipality is destined for greatness.

Mr. MB Mnguni
Municipal Manager

MUNICIPAL POWERS AND FUNCTIONS

The Constitution of the Republic of South Africa Act 108 of 1996, precisely Schedule 4, Part B, read together with Section 152 thereof, and containing the objects of local government, vests the powers and functions of the Municipality. Meanwhile, municipal transformation and institutional development relates to a fundamental and significant change relating to the way the municipalities perform their functions, how resources are deployed and the institutional strategies which are implemented with a view to ensuring optimum results in service delivery to the community. It is envisaged that transformation and institutional development shall be seen to take place when the following is addressed as part of the Municipality's strategic planning and direction.

Municipal powers and functions are articulated in table 1 below. The highlighted functions are those that the Nongoma local municipality is currently performing.

Table 1: Municipal Powers and Functions

Zululand District Municipality and Local Municipalities		
DISTRICT MUNICIPAL FUNCTIONS	SHARED FUNCTIONS DISTRICT AND LOCAL	LOCAL MUNICIPAL FUNCTIONS
Potable Water Supply	Fire Fighting services	Air Pollution
Sanitation Services	Local Tourism	Building regulations (National Building Regulations)
Electricity Reticulation	Municipal Airports	Child Care Facilities
Municipal Health Services	Municipal Planning	Pontoons, Ferries, Jetties, Piers and Harbours
Regional Airport	Municipal Public Transport	Storm Water Management System In Built up areas
	Cemeteries, Funeral Parlours and Crematoria	Trading regulations
	Markets	Beaches and Amusement Facilities
	Municipal Abattoirs	Billboards and the Display of advertisement in Public places
	Municipal Roads	Cleansing
	Refuse Removal, Refuse Dumps and Solid Waste	Control of Public Nuisances
		Facilities for the Accommodation, Care and Burial of Animals
		Fencing and Fences
		Licensing of Dogs
		Local amenities
		Local Sport Facilities
		Municipal Parks and Recreation
		Noise Pollution
	Pounds	
Public Places		
Street Trading		
Street Lighting		
Traffic and Parking		

SUMMARY OF ANNUAL REPORT LEGISLATIVE FRAMEWORK

Background

In terms of section 121(1) of the MFMA, every municipality and every municipality must for each financial year prepare an annual report. In terms of section 127(2) of the MFMA, the Mayor of the Municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the Municipality's sole or shared control.

The following legislative requirements have been complied with:

MFMA Requirements

- **The Annual Financial Statement of the Municipality {section 121(3)(a)}**
(See Annexure A)
- **The Auditor-General's Report {section 121(3)(b)}**
(To be included in the final document as Annexure B)
- **The Annual Performance Report {section 121(3)(c') and section 121(3) (d)}**
(See Appendix 1)

Disclosures:-

- **Section 123 (1) (a) (ii) Allocations received from a municipal entity or another municipality**
- **Section 123 (1) (b) (i) Allocations made to a municipal entity or another municipality**
- **Section 123 (1) (b) (ii) Allocations made to any other organ of state**
- **Section 123 (1) (d) (i) The municipality has complied with allocation made to it by National Government**
(YES)
- **Section 123 (1) (e) Reasons for non-compliance with grant conditions referred to above**
(N/A)
- **Section 123 (1) (f) Delays or withholding of funds DoRA**
(NONE)
- **Section 123 (1) (a) Reasons for delay or withholding of funds ... DoRA**
(NONE)
- **Section 124 (1) (a) Salaries, allowances and benefits of political office-bearers and councillors of the municipality (financial and in-kind)**
(See page 17)
- **In-kind benefits**
The Mayor, Deputy Mayor, Speaker are full-time. The Mayor, the Deputy Mayor and the Speaker are provided with offices and secretarial support at the cost of the Council. All Councillors are re-imbursed for kilometres travelled on official duties.
- **Section 124 (1) (c) Arrears owed by individual councillors to the municipality or its municipal entity for rates and services which were at any time during the year outstanding for more than 90 days.**
(None)

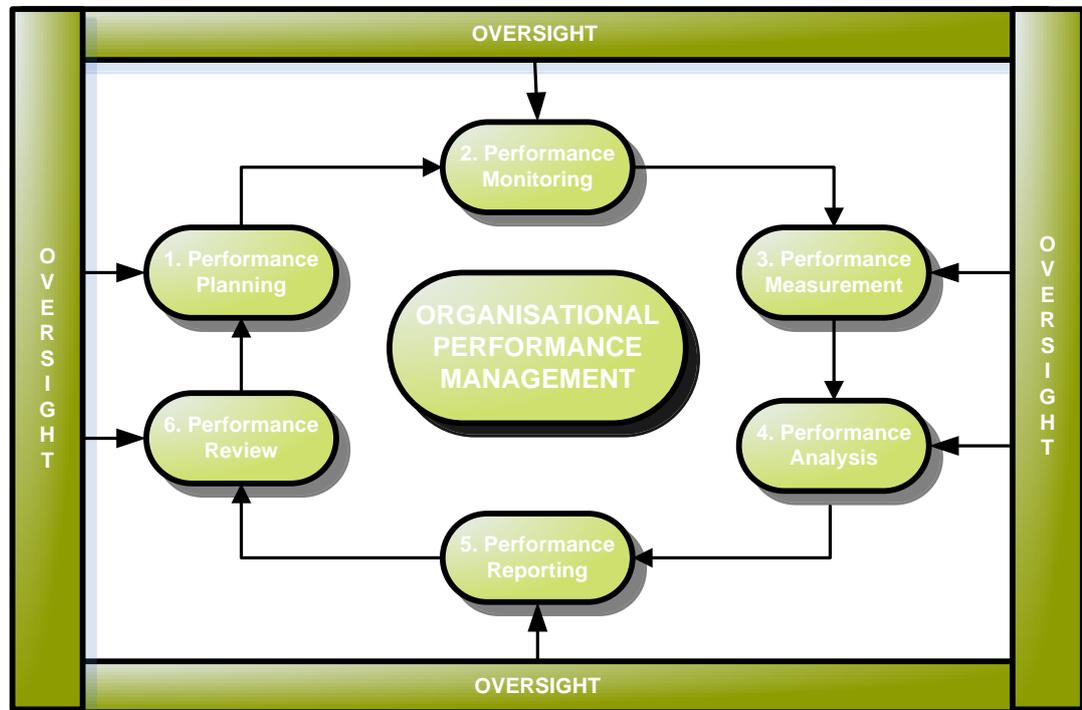
- **Section 124 (1) (c) Salaries, allowances and benefits of the municipal manager, CFO and every senior manager**
(See page 18)

Municipal Systems Act Requirements

- **MSA s46 (1) (a) - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year; MSA s46 (1) (a) – (ii) Current year's performance and targets as well as the prior year**
(See page 57)
- **MSA s46 (1) (a) – (iii) Performance report measures that were taken or are to be taken to improve performance**
(See page Appendix)
- **MSA s46 (1) (a) - Service delivery priorities and performance targets set for the next financial year**
(See page 55)

PERFORMANCE MANAGEMENT PROCESS

The process of managing performance at organisational level in the Municipality involves the stages as set out in the diagram below:



The diagram provides for the cycle of performance management in Nongoma Municipality to commence with performance planning followed by performance monitoring, performance measurement, performance analysis, performance reporting and lastly performance review. The outcome of the performance review feeds back into the performance planning process. It is important to note that each of the stages in the cycle is underpinned by Council and community oversight over the performance of the Municipal Executive and Administration.

Performance Planning

The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof therefore constitutes the process of planning for performance.

Performance monitoring

Performance monitoring is an ongoing process by which a manager accountable for a specific indicator as set out in the organisational scorecard (and a service delivery target contained in a SDBIP) continuously monitors current performance against targets set.

Performance measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator.

Performance analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action be taken.

Performance reporting and review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in-year versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

In the 2019/2020 FY PMS would have been cascaded to all line Managers below Section 57/54 Managers. As such, Managers would sign their individual Performance Management Plans in line with their respective job descriptions and the OPMS, and also their respective departmental SDBIPs.

In-year performance reporting and review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality's performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the accounting officer must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational scorecard submitted to it, will have to ensure that the targets committed to in the scorecard have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44(4) of the Municipal Structures Act, 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the

performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

Annual performance reporting and review

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that:

- All municipalities for each financial year compile an annual report which report must include the municipal performance report
- The annual report be tabled within seven months after the end of the financial year
- The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon
- The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other Councillors and Council portfolio committees. Such mechanisms could involve all or any combination of the following:

- Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.
- Using of various forms of media including radio, newspapers and billboards to convey the annual report.

- Inviting the public to submit comments on the annual report via telephone, fax and email.
- Holding public hearings in a variety of locations to obtain their input on the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Debating the annual report at a meeting of the IDP Representative Forum
- Hosting a number of public meetings or roadshows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.
- Posting the annual report on the council website and inviting input

It is further proposed that the oversight committee functions as a standing committee on municipal accounts (municipal scopa). As such the committee must examine:

- the financial statements of all executive organs of Council;
- any audit reports issued on those statements;
- any reports issued by the AG on the affairs of any municipal entity; and
- any other financial statements or reports referred to the committee by Council.
- may report on any of those financial statements or reports to Council;
- may initiate any investigation in its area of competence; and
- must perform any other oversight function assigned to it by resolution of Council.

As the oversight committee performs an oversight function on behalf of Council it is not a duplication of, and must not be confused with either the audit committee or the finance portfolio committee. The audit committee is an independent advisory body that advises Council and the Executive on financial and risk matters and can act as an advisory body to the oversight committee. The finance portfolio committee deals with financial management issues such as budgetary, revenue and expenditure management and supply chain management.

Nongoma municipality uses the Key Performance model. In the said model, all indicators are grouped together under the national key performance areas as per the Systems Act and the local key performance areas as per the municipal IDP. The said Model therefore enables the Municipality to assess its performance based on the national and its own local key performance areas. The following are the six Key Performance Areas (KPAs) that are being used in the preferred performance management model:

- Institutional Transformation and Development
- Service Delivery and Infrastructure Development;
- Local Economic Development;
- Municipal Viability and Management;
- Good Governance and Public Participation; and
- Cross Cutting Interventions

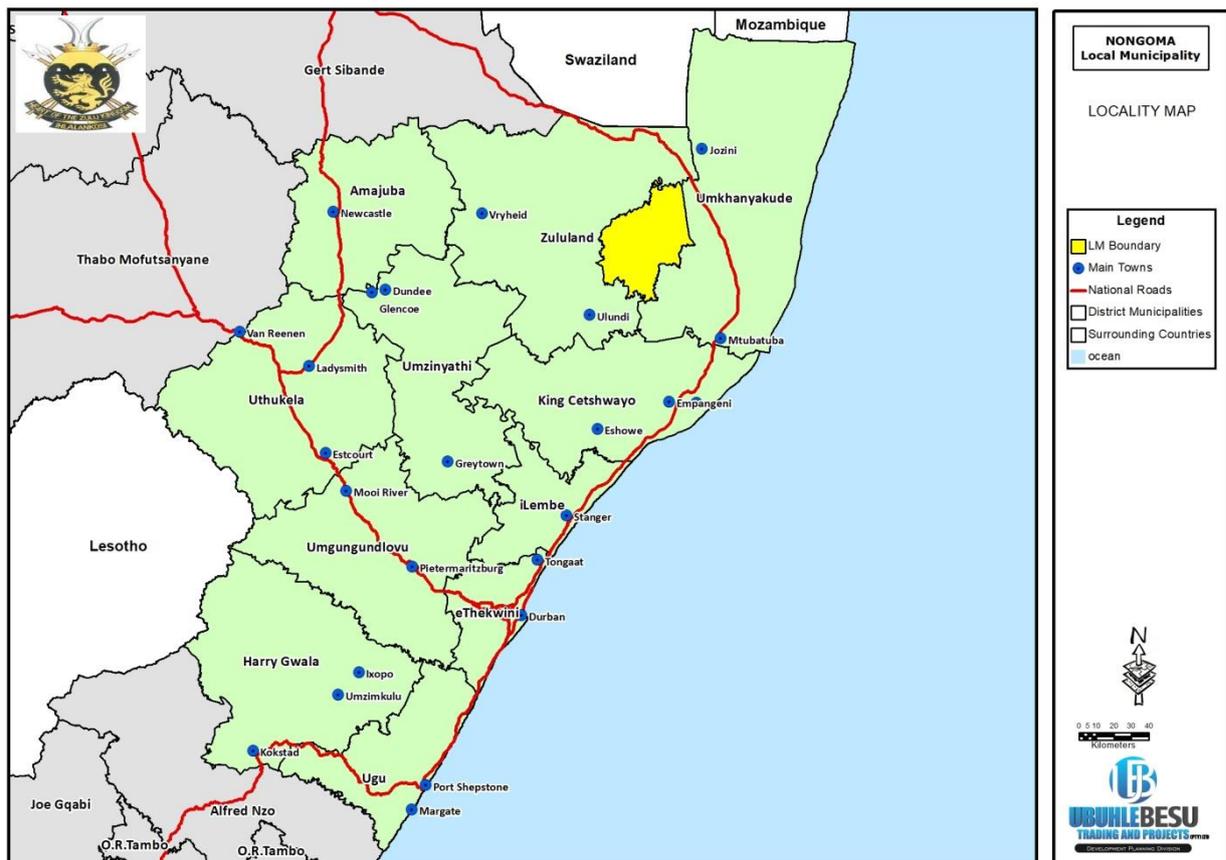
EXECUTIVE SUMMARY

CHAPTER 1: OVERVIEW OF THE MUNICIPALITY

Nongoma Local Municipality is one of the 5 local municipalities within Zululand District; and is located in the northeastern part of Zululand District in the KwaZulu-Natal province of South Africa (27°55'S 31°39'E), it has two secondary corridors, which run from Ulundi to Pongola and from Hlabisa to Vryheid. At 2,185.5 km² and with a population totaling 211,893 (StatSa, Community Survey 2016); the municipality is Zululand's second largest municipality in terms of population and the second largest in terms of area size.

Nongoma municipality shares its name with the town of Nongoma, which serves as the seat of the municipality. It is the home of King Goodwill Zwelithini, the hereditary traditional leader of the Zulu nation, hence it is popularly known as the seat of the Zulu monarch. The King's royal palaces are among the main tourist attractions in the region. The municipality has three tribal authorities, namely Mandlakazi, Usuthu and Matheni. The Map below indicates the spatial location of Nongoma municipality. The municipality shares its boundaries with uMkhanyakude's Big 5 Hlabisa and Jozini Local municipalities on the South and the East respectively; and then within the Zululand District it shares its borders with Uphongolo in the North, Abaqulusi (West) and uLundi (South) municipalities.

Map 1: Nongoma Locality Map (Nongoma SDF Stratus Quo report, 2019)



1.1. Brief Demographic Profile for Nongoma Local Municipality

Population

According to 2011 Statistics, Nongoma has a total population of 194 908. If compared with the 2001 statistics (198,443), it translates into a growth rate of -0,18%. If population growth rate would be same as in period 2001-2011 (-0.18%/year), Nongoma population in 2019 would be: 192 125*. However in terms of 2016 Community survey, the population of Nongoma had surpassed that mark, to 211 893, a growth rate of 1.90% per year.

In terms of racial characteristics; 99.5% of the people in the municipality are African Black, 0,10% are Coloured, with the other population groups making up the rest. Females make up 54.6% of the total population as compared to males (45.4%)

Figure 1: Population Groups in Nongoma LM (StatsSa, 2011)

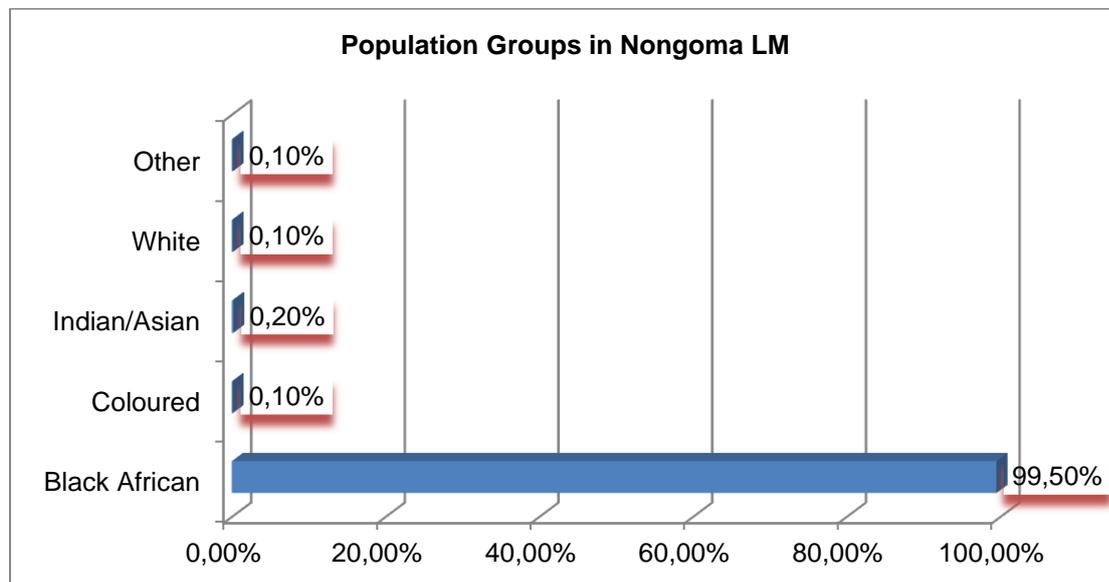
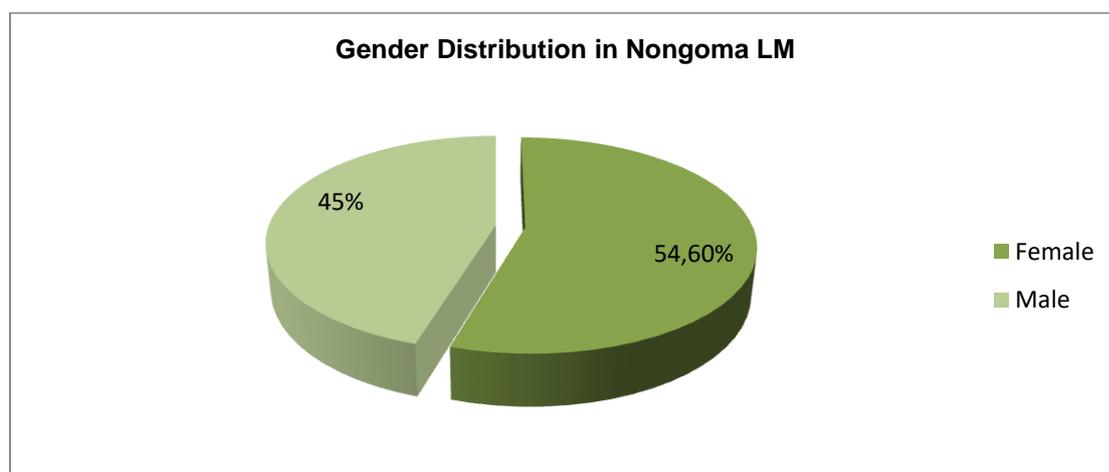


Figure 2: Gender Distribution in Nongoma LM (StatsSa, 2011)



CHAPTER 2: MUNICIPAL GOVERNANCE

Nongoma Municipality was established in terms of the Constitution Act, no 108 1996, the Demarcation act 27 of 1998 and Section 12 Notice issued in terms of the Local Government: Municipal Structures Act 117 of 1998. The municipality is organized into political and administrative structures.

2.1. POLITICAL STRUCTURE OF THE MUNICIPALITY

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Nongoma's Municipal Council governs the local government affairs of the local community on its own initiative. The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

The Council comprises **42** seats allocated according to proportional representation as per Schedule 2 (7) of the Local Government Municipal Structures Act and Regulations 117 of 1998.

The Council is made up of the following political parties: Inkatha Freedom Party (22 Councillors); African National Congress (13 Councillors); Democratic Alliance (5 Councillors), and Economic Freedom Fighters (2 Councillors).

The principal structure of the municipality is Council which is chaired by the Speaker of Council, Cllr. A.N Xulu. The Executive Committee (EXCO) which is chaired by the Mayor of Council, Cllr M.A Mncwango is the delegated political structure that deals with the day to day running of the Municipality and further reports its affairs to Council for noting and consideration depending on the matter in question.

To ensure effectiveness of oversight; an additional 6 councilors form part of the municipal Executive Committee (EXCO). EXCO members are then tasked with a political oversight role upon which they chair various Portfolio Committees. These committees are established in terms of Sections 79 and 80 of the Local Government: Municipal Structures Act (Act no 117 of 1998). The portfolio committees for Nongoma municipality are arranged as follows:

Portfolio Committee	Chairperson of the Committee
Corporate Services	Cllr. SA Hlongwane
Finance Department	Cllr. M.A. Mncwango
Social & Protection Services	Cllr. A.N Xulu
Planning & Development	Cllr. M.A. Mncwango
Technical Services	Cllr. A.N Ndabandaba

Council is headed by the following full time councilors:

POLITICAL STRUCTURE		
No.	DESIGNATION	FUNCTIONS
1.	 <p>His worship, The Mayor: Cllr M.A Mncwango</p>	<p>The functions of the Mayor are set out in the Municipal Structures Act. The mayor is elected by the Municipal council to co-ordinate the work of the Municipality. Functions include the following:</p> <p>Ceremonial: Must perform a ceremonial role as the council may determine.</p> <p>EXCO: Heads the municipal EXCO</p> <p>Determine the venue, time and date of meeting of the mayoral committee</p> <p>Strategy: Recommend to the council strategies, programmes and services to address priority needs through the integrated development plan.</p> <p>Performance Monitoring and Evaluation: Monitor the management of the municipality's administration in accordance with the directions of the municipal council.</p>
2.	 <p>Hon. Deputy Mayor: Cllr. A.N Xulu</p>	<p>The deputy mayor is a member of the executive committee of the municipal council and is elected when the executive committee is elected.</p> <p>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.</p>
3.	 <p>Hon. Speaker: Cllr.B.W Zulu</p>	<p>The speaker of a municipal council-</p> <ul style="list-style-type: none"> presides at meetings of the council; performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 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 committees with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and (f) must ensure that council meetings are conducted in accordance with the rules and orders of the council.

LIST OF COUNCILLORS

No.	Initials & Surname	Position
1.	Cllr M.A Mncwango	The Mayor
2.	Cllr A.N Xulu	The Deputy Mayor
3.	Cllr B.W. Zulu	The Speaker
4.	Cllr S.A Hlongwane	ExCo Member
5.	Cllr A.N NdabaNdaba	ExCo Member
6.	Cllr B.J Ntshangase	ExCo Member
7.	Cllr N.M Mthembu	ExCo Member
8.	Cllr N.G Xaba	ExCo Member
9.	Cllr R.Z Buthelezi	ExCo Member
10.	Cllr M.E Nkosi	Ward Councillor
11.	Cllr J.T Dlamini	Ward Councillor
12.	Cllr A.M Mncwango	Ward Councillor
13.	Cllr M.S Hadebe	Ward Councillor
14.	Cllr N.B Nhleko	Ward Councillor
15.	Cllr B.G. Ntombela	Ward Councillor
16.	Cllr T.J. Nsele	Ward Councillor
17.	Cllr S.C Ngcobo	Ward Councillor
18.	Cllr T.M Ndwandwe	Ward Councillor
19.	Cllr M.A Mtshali	Ward Councillor
20.	Cllr S.M Mbatha	Ward Councillor
21.	Cllr T.N Mthethwa	Ward Councillor
22.	Cllr M.D Ndwandwe	Ward Councillor
23.	Cllr Z.S Hlongwa	Ward Councillor
24.	Cllr P. Nhleko	Ward Councillor
25.	Cllr K.M Mtshali	Ward Councillor
26.	Cllr N.M Mkhwanazi	PR Councillor (MPAC Chair)
27.	Cllr J.G. Zungu	PR Councillor
28.	Cllr M.P Mbatha	PR Councillor
29.	Cllr V.B Zulu	PR Councillor
30.	Cllr T.Z Cebekhulu	PR Councillor
31.	Cllr L.N Buthelezi	PR Councillor
32.	Cllr L.N Mdluli	PR Councillor
33.	Cllr N.P Mlambo	PR Councillor
34.	Cllr P.M Xhakaza	PR Councillor
35.	Cllr S.C Ndwandwe	PR Councillor
36.	Cllr S.K Hadebe	PR Councillor
37.	Cllr Cllr Z.N Sithole	PR Councillor
38.	Cllr N.S Magwaza	PR Councillor
39.	Cllr E.M Msimango	PR Councillor
40.	Cllr S. Nxumalo	PR Councillor
41.	Cllr D.P. Cebekhulu	PR Councillor
42.	Cllr S Nxumalo	PR Councillor

REMUNERATION OF COUNCILLORS

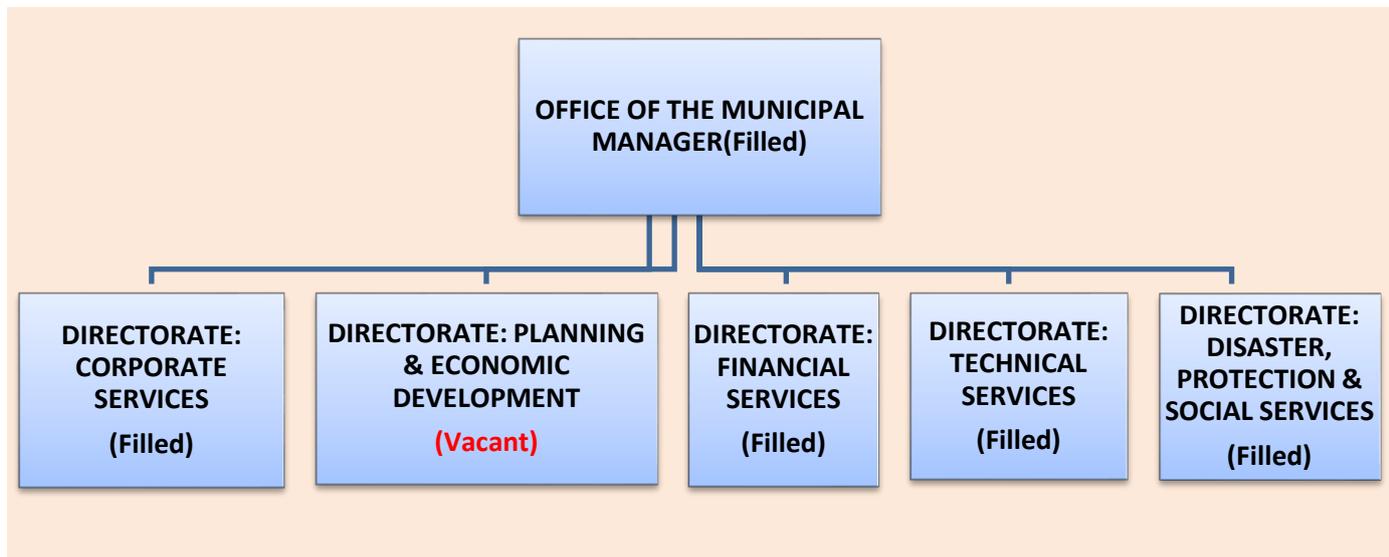
DESIGNATION	AMOUNT PER ANNUM
MAYOR	917 867.16
DEPUTY MAYOR	724 726.12
COUNCILLORS PENSION CONTRIBUTION	836 658.47
SPEAKER	710 391.00
COUNCILLORS	10 342 036.98
TOTAL	

2.2. ADMINISTRATIVE STRUCTURE OF THE MUNICIPALITY

The municipal organizational structure is headed by the municipal manager who is supported by directors. The administration structure consists of the following departments and Units: headed by Municipal Manager.

- Corporate Services
- Office of the Municipal Manager
- Budget & Treasury Office/Finance Department
- Disaster, Protection & Social Services
- Technical Services Department
- Planning and Economic Development

Top Management Structure



Section 124 (1) (C): Salaries, Allowances and Benefits of the Municipal Manager, Chief Financial Officer and other Senior Managers:

REMUNERATION OF MUNICIPAL MANAGER	
Annual Remuneration	506 646.82
Travel	215 323.19
Back pay	45 970.01
Cell phone Allowances	2 500.00
Performance Bonuses	0.00
Contributions to UIF, Medical and Pension Fund	1 487.20
SDL and Bargain Council	8 107.69
Leave Pay	
	780 034.91
REMUNERATION OF CHIEF FINANCE OFFICER	
Annual Remuneration	557 313.89
Travel	231 540.00
Performance Bonuses	0.00
Back pay	24 289.11
Contributions to UIF, Medical and Pension Fund	1 784.64
SDL and Bargain Council	8 110.43
	823 038.07
REMUNERATION OF DIRECTORS TECHNICAL SERVICES	
Annual Remuneration	567 557.32
Travel	244 065.02
Back pay	73 620.47
Performance Bonuses	0.00
Contributions to UIF, Medical and Pension Fund	1 784.64
SDL and Bargain Council	8 262.46
	895 289.91
REMUNERATION OF DIRECTORS SOCIAL SERVICES	
Annual Remuneration	750 474.91
Allowance	57 330.84
Back pay	159 418.31
Contributions to UIF, Medical and Pension Fund	49 436.64
SDL and Bargain Council	11 938.20
	1 028 598.90
REMUNERATION OF DIRECTOR PLANNING SERVICES	

Annual Remuneration	525 966.91
Allowance	33 442.99
Back pay	93 996.10
Leave pay	184 883.04
Performance Bonuses	0.00
Contributions to UIF, Medical and Pension Fund	1 189.76
SDL and Bargain Council	8 838.77
	848 317.57
REMUNERATION OF DIRECTOR CORPORATE SERVICES	
Annual Remuneration	595 658.98
Travel	192 769.80
Cell phone Allowance	35 000.00
Acting Allowance	36 719.82
Performance Bonuses	-
Contributions to UIF, Medical and Pension Fund	1 784.64
SDL and Bargain Council	10 558.31
Back pay	129 515.26
Leave pay	0.00
	1 002 006.81

CORPORATE SERVICES DEPARTMENT



Director: Corporate Services: Mrs NHM Dladla

The Corporate Services Department is the portal of entry and exit in the municipality. It provide support to all the departments within the municipality in the sense that it drives the organogram development, creation of posts and review, champion the recruitment process, conduct induction to new recruits, advise on employee placement, drives skills development programmes so that an employee is able to perform to his/her level best, provide advice to management on disciplinary processes, administer employee benefits and when all is done, issue an instruction to Finance to terminate an employee from the system.

The functions under Corporate Services are as follows:

Human Resources Management:	<ul style="list-style-type: none"> - Recruitment, induction, placement; - Skills Development and capacity building both internal and external; - Cllrs and Employee benefits administration; - Leave administration; - Labour relations; - Employment Equity
Legal Services:	<ul style="list-style-type: none"> - Litigations - Labour issues - Contract Management (drafting)
Health and Wellness:	<ul style="list-style-type: none"> - Occupational Health and Safety - Employee Assistance Programme
Information Communication Technology:	<ul style="list-style-type: none"> - Electronic Records Management - Server Backup - IT Infrastructure Management - IT Support.
Administration and Auxiliary Services:	<ul style="list-style-type: none"> - Records Management - Switchboard
Policies and Procedures:	<ul style="list-style-type: none"> - Policy Administration - Policy Implementation - Legislative Compliance

OFFICE OF THE MUNICIPAL MANAGER



Municipal Manager: Mr. M.B. Mnguni

The Office of the Manager is headed by the accounting officer, i.e. the Municipal Manager. At the time of the adoption of the 2019/2020 IDP, the Municipal Manager had not commenced with his duties.

The Office has 5 Units:

MM's Office

Mayoral Support Unit

Public Participation & Communications Unit

IDP & PMS Unit

Internal Audit Unit



CFO: Budget & Treasury Office: Mr. M. Zungu

The BTO Department renders the following services through our Finance Department, to both our internal and external customers:

Municipal expenditures

Procurement of goods and services

Revenue collection

The department has the following units:

Expenditure Management

Revenue management

Supply Chain Management

Assets Management

Budget and financial reporting

DISASTER, PROTECTION & SOCIAL SERVICES



Director: Disaster, Protection & Social Services: Mr. I.R. Barnes

The DP&SS Department renders the following services:
Traffic and Licensing Services
By – law enforcement
Library and Information Services
Waste Management
Disaster Management Services
Public Safety
Emergency Management
The department has the following units:
Traffic & Protection Unit
Fire & Disaster Management Unit
Social Services Unit

TECHNICAL SERVICES DEPARTMENT



Director: Technical Services: Mr. S. Buthelezi

The department renders the following services:
Project Management
Roads and Storm Water Drainage Services
Electricity Infrastructure development and maintenance
Based on the revised organogram, the department has 3 units as depicted below:
Project Management Unit (PMU)
Housing Unit
Maintenance Unit

PLANNING AND ECONOMIC DEVELOPMENT

VACANT	<p>The department is Responsible for: Planning functions from the preparation of development plans to developing long term strategies and ensuring that those plans are economically, environmentally and socially sustainable. Processing of land use management, advertising and building development applications. Ensuring land is ready for economic development and investment in to the around in opportune areas. Management of outdoor advertisement by-law Administration of the municipal immovable property and managing the processes of disposal of municipal land and the acquisition of land required for housing development. Providing GIS services to the organization and public at large.</p>

CHAPTER 3: PERFORMANCE HIGHLIGHTS

3.1. CORPORATE SERVICES

ORGANISATIONAL DEVELOPMENT

Municipal Organisational Structure was reviewed and approved by Council in November 2018 and again in May 2019 to be in line with IDP 2019/20. In terms of its powers and functions, the municipality has the following departments;

- Office of the Municipal Manager
- Corporate Services
- Finance/Budget and Treasury Office
- Disaster, Protection and Social Services
- Technical Services
- Planning and Development Department

Corporate Services Department is the portal of entry and exit in the organization. It serves as the support department, HRM played a significant r to ensure strategic and critical positions are filled in 2018/19. Municipality has commenced with the job evaluation process, to implement task grades, job descriptions were submitted to the Job Evaluation Committee.

This department comprises of the following Sections:-

- Human Resources;
- HRD;
- Legal Services;
- Council Support;
- Admin. And Auxiliary Services.

POLICIES

Municipality continue to promote good governance through development and review of HR Policies;

No	Policy Title	New/ Reviewed
1.	Batho Pele Policy Framework	New, approved by Council on the 30 August 2018
2.	Job Evaluation Policy	New, approved by Council on the 30 August 2018
3.	Employment Equity Policy	Reviewed, approved by Council on the 30 August 2018
4.	Cellphone Allowance Policy	Reviewed, approved by Council on the 30 August 2018
5.	Records Management Policy	New, approved by Council on the 27 June 2019
6.	Leave Management Policy	Reviewed by Council on the 27 June 2019
7.	Recruitment and Selection Policy	Reviewed by Council on the 27 June 2019
8.	Training and Development Policy	Reviewed by Council on the 27 June 2019
9.	Employee Assistance Programme Policy	Reviewed by Council on the 27 June 2019
10.	Occupational Health and Safety Policy	Reviewed by Council on the 27 June 2019
11.	Disciplinary and Grievance Procedure	Reviewed by Council on the 27 June 2019

Municipality has Legal Services section, under Corporates Services to ensure legal compliance in terms of developing contracts and service level agreements. It also attends to litigations instituted by and against municipality.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

ICT unit identified the need of upgrading the ICT infrastructure network, the municipality then contracted an external service provider to upgrade the ICT infrastructure network. The development of the ICT infrastructure addressed the issue of disposed and congested cables. The municipality allocated R500 000 for this project.

In an attempt to move towards the paperless institution, 42 laptops and routers were procured for councillors, as we are in a mission to embrace the Fourth Industrial Revolution. Since this initiative was adopted, there has been a massive reduction of paper use.

WEBSITE

Municipality has appointed independent service provider to develop and maintain the municipal website. Information is often sent by ICT unit for uploading to the website. The municipality, however, wishes to insource the website hosting and maintenance to speed up the content updates. Internal hosting of the website will also minimize the monthly costs. Internal hosting will also strengthen the skills capacity of the ICT personnel.

MANAGING WORKFORCE EXPENDITURE

Human Resources Management unit ensures that leave management system is updated on the payday system as control measures for leave management as it has financial implications. One of the critical initiatives as part of controlling staff was installation of biometrics clocking system. We were also able to process payments of all employees that were entitled to long service bonus in 2018/19.

EMPLOYEE EXPENDITURE

Description	Employer Contributions	Salaries
Salaries for Officials	R16,656,808.14	R70,497,398.78
Salaries for Councillors	R1,254,227.03	R12,274,452.52

EMPLOYMENT EQUITY

Municipality has adopted an Employment Equity Policy and establish Employment Equity Committee and has been capacitated through the assistance of COGTA and Department of Labour. In terms of gender representation in management we have as follows;

Male	Female
Municipal Manager	HOD – Corporates Services
Chief Financial Officer	Manager – Budget
Technical Services– HOD	Manager- Revenue
Social Services – HOD	Manager – SCM
Manager- Expenditure	Manager- Planning
Manger- Internal Audit	Assistant Manager – HRD
Manager –IDP/PMS	Municipal Attorney- Legal
Manager – HR	
Manager – LED/Tourism	
Manager – Disaster	
Manager – Protection	
Manager – PMU	
Manager – Council Support	
Manager – Social Services	
Assistant Manager – ICT	
Assistant Manager – Environmental & GIS	

Municipality is planning to develop a 3 year Employment Equity Plan during 2019/20, prioritising the balancing of gender representation , as well as creating database for people with disability to address the issue of representation which is 2% of the total of staff establishment. Currently, municipality has only one person with disability out of 267 employees.

Current Status Quo: Workforce 2018/19 including people with disability

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	2	1	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	14	0	0	0	9	0	0	0	0	0	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	35	0	0	0	37	0	0	0	0	0	72
Semi-skilled and discretionary decision making	54	1	0	0	39	1	0	0	0	0	95
Unskilled and defined decision making	30	0	0	0	41	0	0	0	0	0	71
TOTAL PERMANENT	133	2	0	0	126	0	0	0	0	0	261
Temporary employees	2	0	0	0	0	0	0	0	0	0	2
GRAND TOTAL	138	2	0	0	127	1	0	0	0	0	268

EMPLOYEE ASSISTANCE PROGRAMME (EAP)

WELLNESS SUPPORT PROGRAMME

Municipality regards its employees as a valuable asset for successful implementation of its IDP as their wellbeing has a direct impact on the organizational performance. Numerous stakeholders have been engaged such as SANCA, FAMSA and Old-Mutual to partner with an intention of sharing information and advices on Family Abuse, Drug and Alcohol abuse as well as on the money financial education behavior as one of critical factors that causes stress, depression and anxiety to its employees.

The independent psychologist from CareWays has also been appointed to render counselling services to the affected individuals. Employee Assistance Programme maintains confidentiality through utilization of external professional services. Municipality continue to improve the quality of life to all municipal members by organizing activities such Work and Play which was held on the 3rd of November 2018, and took place at Ulundi stadium, and 29 employees participated .

In 20 March 2019, municipality organized a Fun Walk and Aerobics Exercise for employees.



After Aerobics exercise, participants were given lesson about the importance of nutrition presented by a dietician from Department of Health. The numbers of participants was 100 including employees and councillors on the 20 March 2019.

STAFF MOVEMENT 2018/19

PROMOTION

Municipal promotions were conducted through internal advertisement where the following officials were appointed;

Old Position	New Position
1. Budget Accountant	Manager - Budget
2. Environmental Officer	Assistant Manager – Environmental and GIS
3. Training and Development Officer	Assistant Manager - HRD
4. Supply Chain Practitioner	Accountant - SCM
5. Asset Management Practitioner	Accountant – Budget
6. Assistant Accountant- Revenue	Accountant- Revenue

PLACEMENT 2018/19

Following the review of organogram, some positions were identified as redundant as a result a Placement Policy was developed and adopted by the Council to address the issue of redundancy. Below, are the positions that were identified as redundant as well as new positions where personnel were placed.

No	Redundant Position	Placement Position	Department
1.	Pound Ranger	LED and Enterprise Development Officer	Planning and Economic Dev
2.	Pound Ranger	IDP/PMS Clerk	Office of the MM
3.	PA- Speaker	Administration Officer	Social Services
4.	Sports Officer	Administration Officer	Office of the Speaker
5.	Body Guard	Fire Fighter	Social Services
6.	Body Guard	Messenger	Corporates services
7.	Supervisor–Office cleaning	Messenger	Corporates Services
8.	PA- Mayor	Examiner	Social Service/ Licensing
9.	Body Guard	Enatis Clerk	Social Service/ Licensing
1.	Body Guard - Mayor	Driver- Technical	Technical Services
2.	Mayoral Driver x 2	Traffic Warden	Social Services
11.	Body Guard- Mayor	Council Support Clerk	Corporates Services
12.	Pound Caretaker	GA- Roads and Storm Water	Technical Services
13.	Truck Driver	TLB Operator	Technical Services
14.	Welder x3	GA- Roads and Storm Water	Technical Services

NEW RECRUITS 2018/19

Based on the departmental prioritisations, the following positions were filled

No.	Position Filled	Department
1	Municipal Manager	Office of the MM
2	Manager- IDP/ PMS	Office of the MM
3	Manager – Expenditure	Budget and Treasury Office (BTO)
4	Supply Chain Practitioner x2	BTO/SCM
5.	Assistant Accountant - Revenue	BTO
6.	Receptionist	Corporates Services
7.	Administration Clerk	Planning and Development
8.	Gardener – Parks and Gardener	Social Services

9.	Media Liaison Officer	Office of the MM
10.	Fire Fighter x2	Social Services
11.	Driver- Speaker x 2	Social Services
12.	Body guard x3	Social Services
13.	Caretaker x 1	Social Services
14.	Stores Controller x2	BTO

TERMINATIONS 2018/19

No	Position	Department	Reason
1.	Manager ICT and Administration	Corporates Services	Resignation
2.	Accountant – SCM	BTO/SCM	Resignation
3.	Manager PMS	Office of the MM	Resignation
4.	Driver	Technical Services	Deceased
5.	Manager SCM	BTO/SCM	Deceased
6.	Director- Planning and Development	Planning & Development	Resigned
7.	General Worker x3	Social Services	Retired
8.	Driver- Deputy Mayor	Social Services	Resigned
9.	Procurement Practitioner	BTO/SCM	Resigned
10.	Municipal Manager	Office of the MM	Retired
11.	Stores Controller	BTO/SCM	Retired
12.	Supervisor- Waste Management	Social Services	Deceased

INJURY ON DUTY

Municipality strives to be in good standing in terms of COIDA and recently started submission of return of earnings to the Department of Labour. No injury on duty was report for the under review.

COMPONENT C: CAPACITY BUILDING OF MUNICIPAL WORKFORCE

In accordance with the Skills Development Act No. 98 of 1998, it is a mandate of municipality to develop skills of a workforce to improve quality of life and productivity in a workplace, hence Nongoma Municipality ensures Workplace Skills Plan and ATR submitted to LGSETA 30 April every financial year, as result LGSETA disbursed municipality with Mandatory Grant 2018/19 as detailed below;

Date	Quarter	Amount
2018/10/02	1	R52 883.37
2018/11/07	2	R22 585.11
2019/01/31	3	R11 326.43
2019/04/30	4	R52 254.37

Above that, municipality made a budget provision of R300 000 per annum for training and development. Capacity building of municipal workforce includes officials and councillors. Ideally, every intervention should reflect on workplace skills plan, unless if there is unforeseen circumstances that require an urgent training intervention. It appears that Nongoma implemented numerous training interventions, to 117 beneficiaries including officials and councillors beneficiaries. Precisely, the actual expenditure relating to skills development exceeded the budget due to overlapping transactions of last financial year, addition to that budget allocated is extremely limited to meet WSP target.

However, municipality will continue strengthen partnership with sector departments and other SETA to access funding to achieve NSDS III Objective 4.7. that is increasing municipality capacity for improved service delivery.

During 2018/19, municipality appointed an independent consultant to conduct an organisational skills audit to inform the Workplace Skills Plan 2019/20.

COMMUNITY SKILLS DEVELOPMENT 2018/19- UNEMPLOYED

Nongoma Local Municipality strives to strengthen the capacity building of community youth through various skills development programmes as an important aspect for supporting the philosophy of SIYAZAKHA- SIYAZENZELA. Municipality use number of avenues to source funding and continue entered into partnership with SETA's, TVET College and accredited service providers where number of interventions are being implemented through building capacity of community youth, women to improve access for new labour market entrants through work experience and work integrated learning. Basically, target was exceedingly achieved since municipality offered interventions for 180 unemployed in various training programs with zero budget provision from the municipality.

Unemployed

Programme/Learnership	No trained	Service Provider	Project Funder	Stipend
Bricklaying Learnership	30	OTC Othandweni Upliftment Center	Construction CETA	R2500
Community House Builder Learnership	19	Othandweni Upliftment Center	Construction CETA	R2500
Wholesale & Retail Operations Learnership	20	FG Knights in partnership with Mthashana TVET	National Skills Fund	R2500
Food Preparation	30	Mthashana TVET	National Skills Fund	Mini Stove per learner after completion
Mayoral Bursary Scheme 2019	51 awarded for registration fees	To further studies at various Universities	NLM	Registration fee as per university requirements
KZN Tourism Learnership	30	Tourism World	Department of Tourism National	R3500
Information Technology: NC Technical Support – NQF Level 4 SAQA ID 78964	8	EGSIBIT Training and Development	MICTSETA	R1500

Community House Builder Learnership (Unemployed)



There are some of 20 beneficiaries of CHB Learnership, commenced in 01 November 2018 (12 months period) which forms part of Building and Construction. Municipality focus is on the production of technical skills to support strategic key performance area, the local infrastructure development projects. Hnr Mayor M.A Mncwango pay a visit to congratulate learners and advise the importance of technical skills development that it can increase opportunities of being an entrepreneur in construction industry. He further encouraged youth to not seek for a job but rather be job creators.

Wholesale and Retail Operations 20 Learners who commenced unemployed learnership programme on the 02 July 2018, enrolled at uMthashana TVET College and being placed in local retail stores for work experience. Some were absorbed for permanent employed after completion of learnership period.

3.2. OFFICE OF THE MM INTRODUCTION

This section provides annual performance information for 2018/19 financial year pertinent to Special Programmes housed in the Office of the Mayor. Through Special Programmes, the Office of the Mayor is committed to advance the vision of keeping Nongoma being the caring and responsive Municipality, and further committed to promote the provisions of the White Paper on Local Government (1998) which states that the powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities. Included in this section are the brief reports on the functions and programmes the Special Programmes Unit successfully implemented in 2018/19 financial year.

SPECIAL PROGRAMMES

In its strategic planning, Nongoma Municipality resolved to sponsor the philosophy of self-help and self-reliance (Ukuzakha nokuzenzela) with a belief that it will go a long way in alleviating a myriad of socio-economic challenges facing people. The Office of the Mayor is therefore doing everything possible to upskill and empower the youth and women, to ensure the social welfare of children, elderly people and people living with disability as well as to engage in advocacy campaigns on issues of HIV/AIDS.

Youth Development

Our Special Programmes Unit is integrated with Skills Development Unit and Local Economic Development Unit to deliver services of high quality to the people of Nongoma.

Youth Skills Development

We have partnered with many institutions including ZAC mining, KwaGqikazi TVET College and more. These institutions provide learning opportunities to our people so they can get skills in different fields that include plumbing, tiling, brick laying, sewing, electrification, waste management, and many more. We aim to build the generation that will be able to use their skills and work on their own to deal aggressively with poverty. We have budgeted for more activities that will have to do with skills development in the next financial year 2019/20. Certainly, our people will grab a lot and shift from nothing to something.



Youth Structures

Youth development consists of a structure named Youth in Council. This is the structure articulated by youth from all twenty one wards. It is represented as the main Council:

IFP	22 members
ANC	13 members
DA	05 members
EFF	02 members

The purpose for this structure is to deal with all youth related issues in the municipality. It also encourages them ukuzakha nokuzenzela and the importance of education, as we all know that education is the key to success. On the 22nd of June 2019, we had Youth Day Celebration which was held at Esiphambanweni area. The event was a huge success with the whole programme driven by Youth in Council members.



Disability Programmes

On the 27th of April 2019, we successfully hosted an event for people living with disability. This was our way of assuring them that they are part of us, and they also have opportunities that they can grab and prosper. We assisted them to elect their Disability Forum which will sit regularly, discuss various matters and bring them to the attention of Council for support. On the same day we awarded Senamile Dlamini and Saziso Mnyandu of Nongoma who were part of Special Olympics in Abu Dhabi representing South Africa and received 2 medals.



Women Empowerment

The main aim for this programme is to raise the profile of women in Nongoma. There is an active structure called women in council, all twenty one wards are represented in this structure. Political Parties are represented exactly as the main Council. Below is the representation of each Political Party:

IFP	22 members
ANC	13 members
DA	05 members
EFF	02 members

Women Skills Development

We provided sewing training to women and also supported them with brand new sewing machines. On the day of sewing machines handover it was so great to see our women wearing clothes they made themselves. It gave us hope that they will be able to carry on and be self-reliant.



HIV/AIDS Programmes

In dealing with HIV/AIDS at the municipal level, there is a structure called Ward AIDS Committee and it operates at ward levels; it is chaired by Ward Councillors. There is also a greater structure called Local Aids Council chaired by His Worship, the Mayor M.A. Mncwango. The responsibility for this structure is to monitor the spread of HIV/AIDS through HIV/AIDS awareness campaigns. Our Committees have not been function to the maximum due to budget constraints that limit proper coordination, but we will always prioritize effectiveness of campaigns.

CONCLUSION

On the 4th of May 2019, we hosted an interdenominational prayer against violence and child abuse. We invited members of all churches and prayed to God for peace. We recognized the existing structure called Nongoma Ministers Fraternity and worked with them because we believe in the power of the Holy Spirit, and that some of the troubling issues can best be dealt with through divine intervention.

3.3. TECHNICAL SERVICES

Introduction and Background

The Technical department has the responsibility to develop and implement service delivery and infrastructure development which is the core function of the department. The delivery of basic service infrastructure remains the top priority of the Nongoma Municipality. EPWP allocation increased in 2018/19FY due to magnificent performance. The construction standard of projects has improved for the past year. Due to SMART planning, 6 projects to be implemented in 2019/2020FY construction is halfway to completion at 52% overall.

1. DEVELOPMENT OF THE CONSOLIDATED INFRASTRUCTURE PLAN

Purpose is to consolidate and integrate planning, implementation and management of infrastructure-related programmes. The need has therefore been identified to create a planning environment in which the various services of Nongoma can be integrated. The developmental duties of Technical Department in the Municipality is to structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and promote the social and economic development of the community.

ALLOCATION FOR PAST 2 YEARS

Item	2017/2018 FY	2018/19 FY	Funder
Approved budget allocation	R 15 000 000.00	R 15 000 000.00	DoE
	R 43 000 000.00	R 31 286 000.00	COGTA
	R 1 039 00.00 (63 Beneficiaries)	R 1 615 000.00 (84 Beneficiaries)	DPW

2. CAPITAL PROJECTS

ELECTRIFICATION PROJECTS (INEP)

Item No.	Project Name	Ward	Status	Funder
1.	Sqondo/Xuma/Khethankoma	05	100% complete	DoE
2.	Phumanyova	06	100% complete	DoE
3.	Sidinsi	06	100% complete	DoE
4.	Macekaneni	12	100% complete	DoE

CONSTRUCTION OF ROADS, COMMUNITY HALLS & CRÈCHE AND SPORTSFIELDS PROJECTS (MIG)

Item No.	Project Name	Ward	Status	Funder
1.	1.8km Buxedene to Mission Gravel Access Road	08	100% complete	CoGTA
2.	1.6km Matsheketshe Gravel Road	02	100% complete	CoGTA
3.	1.6km Nkolweni Gravel Road	10	100% complete	CoGTA
4.	1.6km Mankulumane Gravel Road	15	79% complete	CoGTA
5.	Ndema Community Hall & Crèche (AFA)	02	100% complete	CoGTA
6.	Emzweni Community Hall & Crèche	18	100% complete	CoGTA
7.	Qedumona Sportsfield	11	100% complete	CoGTA
8.	Mona Sportsfield	04	94% complete	CoGTA

EPWP PROJECTS

Item No.	Expenditure spent on the ff.	Ward	No. of Beneficiaries	Funder
1.	Compensation of Employees Goods and Services Machinery and Equipment	1 - 21	84	DPW

- EPWP allocation funding increased in 2018/19FY.

COMPLETED PROJECTS IN PICTURES

Figure 3: Ndema Community Hall & Crèche



3.4. FINANCIAL SERVICES

Introduction and Background

The Finance Department has the responsibility to develop and implement sound business processes and sound and effective internal and financial controls systems. Further, it is committed to its mandate to provide a comprehensive financial management support and guidance to the Council and the directorates of the Municipality. The directorate supports the Integrated Development Plan of Council by striving to provide a stable and sustainable financial environment that enables Council to deliver essential services to the community of Nongoma. The Finance Department is made up of the following independent and yet complimentary components:

Expenditure Management Section

- The municipality paid most its services providers on the 15th and 30th of the month to meet the requirement of paying within 30 days during the year as required by the legislation i.e. Municipal Finance Management Act.
- The expenditure section has maintained an effective system of expenditure control, accounting and information system which recognises expenditure when it is incurred, account for creditors of the municipality and account for payments made by the municipality.
- The expenditure is fully functional with all positions filled

Revenue Management Section

- Nongoma Municipality does not have a huge revenue base which becomes a challenge for a municipality in terms of service delivery to the community. The revenue section issued monthly bills for municipal taxes and other municipal services rendered to communities around town in terms of an approved council credit control policy. The municipality appointed a Debt Collector in order to improve collection rate in future.

Supply Chain Management Section

- Supply Chain Management unit is a support function for all business units within the council to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting the business units to implement their service delivery.
- The supply chain manager has been appointed
- Bid committees were functional during the term however there is room for improvement in terms of turnaround time for sitting and awarding of bids.
- There is only one person dedicated for contract management, however there is room for improvement, although this section has improved in its operations since treasury conducted training.

Budget and Reporting Section

- The process leading to the approval of the budget was in line with the approved budget process plan. The Budget was adopted within the MFMA legislated timeframes and the approved budget was informed by the Long-Term Financial Plan (LTFP). All relevant budgets related policies are in place.
- The annual and the adjustment budgets for 2018 – 2019 financial year were prepared, approved by council and submitted to relevant authorities in a timely manner and in terms of the MFMA and Municipal Budget and Reporting Regulation.
- The section 71 reports were submitted to Provincial, National and other relevant funders as required by DORA.

- The Mid-year budget and performance assessment report (S72) was prepared, tabled to council and submitted to relevant treasuries accordingly.
- All other legislated reporting was achieved.

Statement of Financial Performance

The following Table shows a summary of the statement of financial performance

	2019	2018
Revenue	219 973 136	223 491 383
Expenditure	184 672 174	188 924 916
Operating Surplus	35 300 962	34 566 467
Loss on disposal	-	8 513 103
Surplus	36 818 626	25 530 640

Grants

The municipality has received all the grants as Gazette in the DORA and the unspent portion is reflected on the table below.

Name of the Grant	Organ of state	Unspent Balance as at 01 July 2018	Receipts	Expenditure	Revenue recognised	Unspent balance as at 30 June 2019
Finance Management Grant	National Treasury		1 970 000	1 970 000	1 970 000	-
Municipal Infrastructure Grant	National Treasury		31 286 000	31 286 000	31 286 000	-
Integrated National Electrification Program Grant	National Treasury	837 579.65	15 000 000	15 791 405.93	15 791 405.93	46 173.72
Expanded Public Works Program	National Treasury	169 066.00	1 615 000	1 784 066.00	1 784.066.00	-
Library Grant	Department of Arts & Culture		838 000	838 000	838 000	-
Cyber Cadet	Department of Arts & Culture		197 000	197 000	197 0 00	-
Spots			50 000			50 000
Osuthu modular Library			556 000	199 200	199 200	356 800
		1 006 645.65	51 512 000	52 065 671.93	52 065 671.93	452 973.72

Asset Management

The municipality has ensured that all previous year fixed asset errors are addressed with the assistance of INKAZIMULO who was appointed again to compile the 2018/19 Asset Register. Their terms of reference included the follows:

- Physical verification of all movable assets
- Physical verification of infrastructure (immovable) assets
- Review of assets under construction (AUC), analysis of 2018/19 capital expenditure and WIP completed during the 2018/19 financial year
- Unbundling of infrastructure assets acquired (WIP completed) as required by GRAP17
- Review of remaining useful lives (RUL) of infrastructure and movables assets
- Identification and review of possible impairment of infrastructure and movable assets
- Perform the depreciation charge calculation for 2018/19 financial year
- Provide journals, disclosure notes and annexures in the annual financial statements and accounting policies
- Respond to all relevant GRAP asset audit queries
- The net movement in the carrying amount of Property Plant and Equipment.

The municipality has a GRAP compliant asset register. All assets have been recorded, barcoded and verified.

SPENDING AGAINST CAPITAL BUDGET

Capital Expenditure

The municipality has spent 99% on capital expenditure in 2018/19 financial year and the Municipal Infrastructure Grant which forms part of capital expenditure as fully spent and only a small portion of R46 173.72 on Integrated National Electrification Program Grant that was not spent.

Sources of Finance

The capital expenditure for 2018/19 was funded from transfers from National Government, and internally generated funds

Capital Spending on 5 Largest Projects

The municipality was able to spend all the MIG and INEP allocation during 2018/19 financial year, on the following 5 largest projects

- Sgubudu Community Hall
- Mankulumane gravel road
- Bhuqwini gravel road
- Sidinsi Electrification
- Phumanyova Electrification

CASHFLOW MANAGEMENT AND INVESTMENT

Cashflow

The municipality during 2018/19 was able maintain its cash flow position and completed its year end with a favourable balance. The table below shows bank balances of all municipal bank accounts as at 30 June 2019.

Cash available for operations	JUNE 2019
BANK ACCOUNT DETAILS	
Cash on hand – petty cash	R64.70
Cash on hand – cashiers	R6 205.53
FNB- 53153278884- Primary account	R3 915 927.95
FNB- 62203761962 Licensing account	R120 884.91
TOTAL	R4043 083.09
Bank Account Details	JUNE 2018
FNB Call account - 61315000549	R 2 605 549.34
FNB MIG account – 62202226751	R25 689.16
FNB INEP account – 62370639373	R80 883.73
FNB Money Market account- 62373063222	R303 923.40
FNB FMG account – 62370638573	R15 881.61
FNB 7 Days notice account – 74427065468	R0.60

Borrowing and Investment

The municipality has no borrowings for 2018/19 financial year. The municipality had the following short-term investments

Short-term investment

Bank Account Details	June 2019
FNB Call account - 61315000549	R 2 605 549.34
FNB MIG account – 62202226751	R25 689.16
FNB INEP account – 62370639373	R80 883.73
FNB Money Market account- 62373063222	R303 923.40
FNB FMG account – 62370638573	R15 881.61
FNB 7 Days notice account – 74427065468	R0.60
	R3 794 927.84

- The Call account closing balance as at 30 June 2019 include the interest received of R9 707.81
- The MIG(municipal infrastructure grant) account closing balance as at 30 June 2019 include the interest received of R377.10
- The INEP (Integrated national electrification program grant) account closing balance as at 30 June 2019 include the interest received of R 7 334.05
- The money market account closing balance as at 30 June 2019 includes the interest received of R 54 039.69
- The FMG (Finance management grant)account closing balance as at 30 June 2019 include the interest received of R418.68
- The seven days' notice account has no interest received

OTHER FINANCIAL MATTERS

Supply Chain Management

Supply chain reports have been submitted monthly, quarterly to council and will be submitted annually together with the Annual Financial statements.

GRAP Compliance

In the current year, the municipality has adopted the following standards and interpretations that are relevant to its operations:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cash Flow Statement
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 9 Revenue from Exchange Transactions
- GRAP 13 Leases
- GRAP 14 Events After the Reporting Date
- GRAP 17 Property Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21 Impairment of Non-cash-generating Assets
- GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers)
- GRAP 24 Presentation of Budget Information in Financial Statements
- GRAP 25 Employee Benefits
- GRAP 26 Impairment of Cash-generating assets
- GRAP 31 Intangible Assets
- GRAP 104 Financial Instruments

MSCOA Implementation

MSCOA is part of the National Treasury's ongoing budget and reporting reforms. MSCOA-ready means that municipalities are able to capture all their financial transactions against a predefined classification framework. MSCOA regulation has not only been a financial reform, but an entire overhaul of municipal business processes.

Since not only financial and budget oriented practitioners are involved, implementation has required organisational change across the entire municipality and integration of accounting systems. Consequently, implementation has involved system conversion and/ or re-implementation, with all the associated challenges and risks.

Due to the various stakeholders involved, integration is no small feat. Unforeseen challenges emerge over time that can only be brought to the fore through the process of retrospection. Nongoma Municipality successfully implemented MSCOA regulations on 1 July 2017. The municipality did not change the financial system but rather it was updated to ensure that the system is compatible with MSCOA segments. The system in used by the municipality is pastel evolution.

The municipality's financial system is seamless integrated with all other sub-system except the payroll which the municipality is using flat file to export information from the payroll to pastel evolution.

3.4. SOCIAL SERVICES

COMPONENT B: BASIC SERVICE DELIVERY

WASTE MANAGEMENT

In the financial year over review, Nongoma municipality endeavoured to improve its provision of waste management services, specifically refuse removal. As a result refuse removal covered 590 households. It should however be noted that these households do not include households in the outskirts of the Nongoma town.

There was a lot improvement in the general appearance of town and surroundings. Refuse collection in CBD was done on 7 days a week to ensure that municipality promote a safe and healthy environment to communities live within its jurisdiction.

Refuse collection schedule

Days	Areas	Challenges	Recommendations
Monday	Suburbs, Dilini, Hospital	There is no waste collection in rural areas at yet	To introduce waste collection in rural areas in the form one central point to be collected on weekly basis
Tuesday	White City, Redhill, Works		
Wednesday	Suburbs, Dilini, Hospital		
Thursday	White City, Redhill, Works		
Friday	Suburbs, Dilini, Hospital		
	Around CBD skip bins are emptied on daily basis. (Sunday to Friday)	Lack of communication with clients during times of compactors truck breakdowns.	Improve ways of communicating with clients
	Frequency of waste collection is always considered during busy periods.		To allocate more budget for implementation of Integrated Waste Management Plan (IWMP)

Waste disposal

The current waste disposal site has been licenced for closure by the Department of Environmental Affairs. To ensure compliance with licence, the municipality has been established the Task Team, comprising of Councillors and Municipal Officials to look at various options, such as identifying a suitable land for a landfill site and or other alternative waste disposal facilities, e.g Buy-Back centre.

In the 2018/2019 FY the municipality conducted a waste disposal site compliant/assessment. The assessment would be conducted on a quarterly basis thus ensuring that the current waste disposal site is compliant.

Street cleaning and recycling

The clean-up campaigns continued and were held on quarterly basis, where stakeholders such as sector departments, community work programme (CWP) team and business people participated. The rationale behind the campaigns is that the town and surroundings must be clean and well maintained in all its facets. In fulfilling this mission the department struggles to approach the task at hand in a coherent and integrated manner and inspire a complete change of mind set with regard to the municipal employees who cleaning town on daily basis.



COMPONENT B: COMMUNITY SERVICES

Library Services

2018/2019 FY saw the completion of The Osuthu Modular Library at Ward 15 under Osuthu Tribal Authority. Never the less, the Nongoma library in Nongoma town remains the main library servicing and accessible to majority of the Nongoma population. In the Nongoma Town Library, the following services were provided:

Main services	Annual target	Projected targets per quarter	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Annual Total achievements
Promotion of library services	4	1	3	1	1	1	6
Number of books circulated	600	150	333	89	177	103	702
Number of people with the access to internet	1500	200	495	234	403	511	1643
Number of books exchanged performed	4	1	1	1	1	1	4
Number of people with an access to basic computer skills	150	50	14	0	0	0	0

Promotion and Marketing of the library

As part of ensuring access and utilization of library services, Nongoma municipality conducted library promotion and marketing campaigns on a monthly basis. The aim of the library promotions and marketing is:

- Promotion and marketing are the means of informing your users what Nongoma Library does and what library can do
- The benefits of promotions and marketing library services include: increased usage, increased value in the organization, education of users and changed perceptions.

The targeted audience for the promotion and marketing campaign were:

- School learners
- Teachers
- Nongoma staff
- Communities at large.



Traffic and Community Safety

Nongoma municipality has one town which is the main activity centre of the municipality. The town links Hlabisa town with uLundi, Pongola and Vryheid towns. The town is highly congested especially over the weekends and on holidays.

In the financial year over review the municipality planned and conducted 2 main road safety awareness campaigns around Easter and Christmas holidays. The Traffic & Community Safety Unit was joined by Disaster Management and Tourism Unit in these 2 campaigns



These 2 main campaigns were supplemented by ad hoc traffic stop and checks which were conducted on a monthly basis.



Disaster Management

Awareness campaign on disaster management were conducted on a weekly basis, wherein the municipal disaster management team would visit various communities and schools to sensitise communities and school children on disaster-related risks and how best to avoid them.

3.5. PLANNING & ECONOMIC DEVELOPMENT

Spatial Planning

This unit is one of very important unit in the municipality it guides the strategic direction for the development and service delivery of the municipality, and responsible for returning order to the municipality. Its functions better when it is supported and its plans are fully implemented.

Spatial Development Framework

In the period over review Nongoma Municipality started a process of reviewing its long term SDF. The process commenced in the last quarter of the financial year, and as such, was rolled over into the 1st quarter of the 2019/2020 FY.

LAND AUDIT

On its effort to determine the land ownership within Erf 5000, Nongoma municipality appointed a service provider to undertake a land audit exercise. The project could not be completed due to withdrawal of the appointed service provider. The project has therefore been deferred to 2019/2020 FY.

SPATIAL PLANNING AND LAND USE MANAGEMENT ACT/LANDS USE

Single Land Use Scheme

The Municipality received funding (R2000 000.00), i.e. from COGTA and other from the Department of Rural Development and Land reform (DRDLR) for the development and implementation of Wall-Wall schemes as per section 24 (A) of the SPLUMA Act of 2013. Funding from COGTA was later withdrawn by the funder.

As such, in 2019/2020 FY, the municipality would utilized the R2000 000.00 received from DRDLR towards development of Wall-to-wall scheme. Funds would not be transferred to the municipality; instead the funder would appoint a services provider on behalf of the municipality.

Joint Municipal Planning Tribunal

The JMPT is now fully functional in terms of chapter 6 of the SPLUMA Act 2013 (Act No, 16 of 2013). Through the JMPT, Nongoma has received 12 development applications, 5 of them have been approved.

The Spatial Planning unit is busy with the facilitation of the Community Service Centre and the Precinct plan that is funded by the Department of Corporative Governance and Traditional Affairs. We need to identify the land for development.

Building Inspectorate

There are eight building plans that have been lodge to the municipality and four has been approved other are still pending.

The below brochure is used for building plan awareness for the community to read how, who and what do you need to submit building plans for compliance.

HOUSING

The table below depicts each project and the number of houses it has constructed until 30 June 2019.

Delivery Progress Report (June 2019)

<u>ACTIVITY</u>	<u>PROJECT NAMES</u>									
<u>Milestone</u>	<u>Osuthu B</u>	<u>Nkukhwini</u>	<u>Nkunzana</u>	<u>Matheni B</u>	<u>Vuna</u>	<u>Kombuzi</u>	<u>Zidwadweni</u>	<u>Siyazama</u>	<u>Khokhwane ni</u>	<u>Mpunzana</u>
No. of Units Approved	650/1350 Phase 2	600/3000	600/1800	650/2000	600/2000	500/1500	600/1200	500/1000	300/3000	300/1500
Slabs/Foundations	650	531 (-69)	600 (100%)	597 (-53)	525 (-75)	500 (100%)	117 (-110)	47 (-319)		
Wall Plates	650	454 (-146)	600 (100%)	536 (-114)	520 (-80)	500 (100%)	109 (-101)	24 (-302)		
Roofing	636	385 (-215)	600 (100%)	524 (-126)	495(-105)	500 (100%)	61 (-140)	01 (-298)		
Completions	633	381 (-219)	597 (-03)	466 (-184)	508 (-92)	500 (100%)	61 (-149)	0 (-299)		
	Phase 1 (650)	TOTAL HOUSES COMPLETED TO DATE								3796

LOCAL ECONOMIC DEVELOPMENT & TOURISM

EXHIBITIONS

Tourism section had attended 2 tourism Exhibitions which include: Tourism Indaba, and Royal Reed Dance Event. The Royal Reed Dance was held on 07-09 September 2018 and the Tourism indaba was held from 02-04 May 2018 in Durban. Such exhibitions contribute to economic development and promote Arts and Crafts for Nongoma, and also to promote Nongoma as Tourism destination that needs to be visited.



COMMUNITY TOURISM ORGANIZATION (CTO)

For proper and efficient coordination tourism within the Nongoma municipal area, there is a Nongoma Community Tourism Association (CTO). The association is also represented at a District level. Nongoma municipality has been transferring on an annual basis, funds in the form of a grant to the Nongoma CTO. In the period over review an amount of R70 000.00 was transferred to the CTO.

TOURISM AWARENESS CAMPAIGNS

Nongoma Municipality initiated Tourism awareness campaign as a strategy to achieve the council vision of sustainable development and to sensitize transport sector on how to treat tourist that will be visiting Nongoma and to sensitize them about drink and driving. The Tourism awareness campaign took place on the 05th of December 2018 in Nongoma Main Street with his worship the Mayor addressing the transport sector.



BUSINESS SEMINAR AND EXHIBITIONS

Business seminar was held on the 27th of February 2019 at Nongoma Multi-purpose hall, it was more focused to addressing issues of financial support, business sustainability, business compliance, sourcing of markets and many more assistance you can think of to sustain Nongoma cooperatives. We had various presentations from well-established Nongoma cooperatives to motivate others on how they can grow their businesses.



NATIONAL RURAL WOMEN EMPOERMENT PROGRAMME

Through the National Movement of Rural Women Organisation and Nongoma Municipality seven (7) co-operatives were capacitated with capacity building and mini craft centres in the following wards and areas:

Name of Co-operative	Area of capacitation	Area	ward
Nkosimbeke co-operative	Training and a crafts centre	Lindizwe	09
Ngenangesihle co-operative	Training and a crafts centre	Ophalule	16
Zabalaza co-operative	Training and a crafts centre	Kwa Dieka	18
Mkhondomelizwe co-op	Training and a crafts centre	Mkhondo	09
Mziwabo poultry co-op	Training	Thokazi	17
FikethobileCooperative	Training and a crafts centre	kwaDabhazi	10
Zama Zama Cooperative	Training	Embonjeni	04



SECTOR PLANS

In the period over review, Nongoma municipality developed the following LED/Tourism sector plans:

- Nongoma LED Strategy
- Nongoma Investment Strategy
- Nongoma Informal Facilitation and Promotional Strategy
- Nongoma Informal Economy Policy
- Nongoma Informal Economy By-Law

Nongoma LED Strategy was reviewed through Harvest Company and it was presented to Portfolio: Corporate Services for Comments and recommendation to EXCO and Council for Adoption. The LED Strategy was adopted by council on the 27 June 2019.

Nongoma Agricultural Strategy was developed through Uncedo Agricultural Project and it was presented to Portfolio: Corporate Services for Comments and recommendation to EXCO and Council for Adoption. The Agricultural Strategy was adopted by council on the 27 June 2019.

Nongoma Investment facilitation and promotional Strategy was developed through Insingo Projects and it was presented to Portfolio: Corporate Services for Comments and recommendation to EXCO and Council for Adoption. The Investment facilitation and promotional Strategy was adopted by council on the 27 June 2019.

Nongoma Informal Economy Policy Review was done in-house and it was presented to Portfolio: Corporate Services for Comments and recommendation to EXCO and Council for Adoption. The Informal economy policy was adopted by council on the 27 June 2019.

Nongoma Informal Economy By-Law was done in-house and it was presented to Portfolio: Corporate Services for Comments and recommendation to EXCO and Council for Adoption. The Informal Economy By-law was adopted by council on the 27 June 2019.

TOURISM /LED LEARNERSHIP PROGRAMMES

The **INSIKA** foundation in partnership with **CATHSSETA** will be implementing 18 months Tourism programme for 2018/2019 to capacitate learners with Diploma's, Degree's, N6 and Tourism Certificates. Nongoma Municipality achieved to place nine (9) students and they are placed in different tourism establishments to have experiential learning.

TOURISM WORLD LEARNERSHIP

34 learners have been recruited through diagnostic assessment and were placed for experiential learning under the KZN Hospitality Youth programme for the period of twelve 12 months in the 2018/2019 financial year. The programme commenced on the 01 August 2018.

The primary objective of the programme is to assist unemployed youth between 18 to 35 years and will be placed with host employers for nine (9) months and receive theory training for three months. The 34 learners are placed in all Nongoma restaurants such as KFC, Chicken Licken, Spar, and many more.

EDTEA LEARNERSHIP PROGRAMME.

Three (3) students were recruited by EDTEA for the Tourism graduate development programme; one of the students is serving six months in-service training and her service will come to an end of March 2020 after negotiations to extend it for another six months, and the other two are serving 12 months and their service will come to an end at the end of August 2020 after negotiations to extend it to another 12 months.

TOURISM INVESTMENT KWA-ZULU NATAL (TIKZN) MUNICIPAL ROADSHOW

The above mentioned road show took place at Ulundi over two days (10&11 July 2018) the purpose of this show was to promote KZN as an investment destination. TIKZN and Local Municipalities of Zululand District were discussing catalyst projects and projects funding within the ZDM. The municipalities were requested to transport 30 SMME's / cooperatives to participate on the programme.

LED (SMME's AND COOPERATIVES PROGRAMMES)

- 114 Cooperatives/SMME,s were funded through LED Poverty Alleviation programmes , the budget for this programme was R3 million.
- 6 Cooperatives per ward to all 21 wards (LED Officer monitor them all for sustainable purposes and also registration of cooperatives.)
- Distribution dates were set from April 2019 to May 2019.
- 45 SMME,s Cooperatives were registered through CIPC.



CWP JOB CREATED)

- 1100 CWP jobs created so far in 15 wards coordinated by Insika Foundation.

LED (REGULATIONS AND FORMALISATION OF FORMAL AND INFORMAL ECONOMY Unit)

- 896 Informal economy permits has been issued for 3 years.
- 48 Business Licences has been issued and renewed annually.

INFRASTRUCTURAL SUPPORT TO INFORMAL ECONOMY ACTIVITIES

Through partnership with ithala we have managed to build 60 informal economy market stalls and they were all allocated with their permits in their hand for business compliance.



KZN AUTOMATED MANAGEMENT SYSTEM CAPACITY BUILDING

- The KZN Department of Economic Development, Tourism and Environmental Affairs: Business Regulations unit as the custodians of the Businesses Act has assisted municipalities with business licensing related issues. In all 43 local municipalities that are consistently assisted within the Province common barriers identified are as follows:
- Lack of consistency in the way that businesses are licensed per municipality thereby the licensing regime is not standardised;
- The length of time before a license is issued is mostly not met as the Act stipulates that licenses must be issued within 21 working days from the date of application;
- Lack of an administrative process in the issue of a business license at times delays the issue of a business license;
- Lack of internal co-ordination amongst competency units namely, (town planning, building inspectorate, Environmental Health , law enforcement, Disaster/Emergency services) that can approve for a business to conduct business activities; and
- Lack of a monitoring tool that can track the business license application.
- This Automated system will be able to reduce all these red tape issues and provide a uniform and standardised licencing, permitting and registration system.
- 50 Informal economy permits has been issued for 1 year through KZN Automated Management System.
- Nongoma is currently championing the programme in KZN.

SMME AND COOPERATIVES SUPPORT THROUGH EXHIBITION AT BALITO JUNCTION AND KING SHAKA AIRPORT

The department of art and culture in partnership with Nongoma Municipality selected 2 Nongoma cooperatives to exhibit at King Shaka international Airport and at Ballito Junction Mall on the 20th to 23rd of June 2019.

3.6. SERVICE DELIVERY TARGETS AND PRIORITIES FOR 2017/2018

The following KPAs inform the OPMS of the Municipality:

1. Municipal Transformation and Institutional Development
2. Basic Service Delivery
3. Local Economic Development & Social Development
4. Municipal Financial Viability and Management
5. Good Governance and Public Participation
6. Cross Cutting Interventions

PRIORITIES

The following are the key priority areas of Nongoma Local Municipality:

1. Poverty Alleviation
2. Food Security
3. Skills Development
4. Revenue enhancement
5. Spatial planning and development;
6. Good Governance and Clean Administration.

KEY OUTCOMES FOR THE NONGOMA LOCAL MUNICIPALITY

1. Eradication of poverty through food security and job creation
2. Unlock economic sectors within the municipality that have potential for growth and attraction of potential investors
3. Economic activeness of Small Medium and Micro Enterprises (SMMEs), Cooperatives and Emerging Contractors
4. Social development (youth, women, senior citizens, people living with disability) in sports, in the economy and skills development.
1. Embrace the principles of good corporate governance and accountable and disciplined administration;
5. Health and safety for all residents of Nongoma
6. Efficient and effective spatial planning and development, and disaster management
7. Efficient and effective safeguarding and proper management of municipal assets
8. Effective and efficient communication within the institution, and to all stakeholders including community in line with Batho Pele principles
9. Practice sound, fraud and corrupt-free financial management practices for long-term sustainability of the municipality.

STRATEGIC OBJECTIVES, STRATEGIES AND TARGETS

The following section reflects on strategic objective, strategies and targets.

STRATEGIC OBJECTIVES			
OBJECTIVE	OBJ. REF	STRATEGY	STRAT. REF
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT			
To promote institutional and organisational development and capacity building	A1	Develop Municipal HR strategy	A1.1
		Annual review and implementation of organogram	A1.2
		Development, review and implementation of policies and by-laws	A1.3
		Review and implementation of WSP	A1.4
		Development and implementation of employment equity plan	A1.5
To ensure an improved Information and communication technology development	A2	ICT Management	A 2.1
To ensure implementation of functional performance management	A.3	Development and implementation of organisational performance management system (OPMS)	A 3.1
		Annual review of Performance Management Policy Framework	A3.2
		Cascading of Performance Management to Managers below sec54/56	A3.3
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT			
Improve basic service delivery, infrastructure development and social facilities	B1	Enhancing infrastructure planning and maintenance	B1.1
		Provision of access to refuse removal	B1.2
		Improving sustainable human settlements	B1.3
		Improve access to basic service delivery	B1.4
SOCIAL AND LOCAL ECONOMIC DEVELOPMENT			

To create an enabling environment for economic growth and job creation	C1	Promote and support economic development sectors	C1.1
		To promote job creation through Local economic development programmes	C1.2
		Promote and support SMMEs and Cooperative development	C1.3
		Ensure skills development for economic growth	C1.4
		Facilitate strategic partnership towards economic development	C1.5
		Effective support and development of informal economy	C1.6
		Implement and enhance sustainability of poverty alleviation programmes	C1.8
To promote social cohesion	C2	Establish and strengthening the functionality of structures for vulnerable groups	C2.1
		Strengthening the visibility and functionality of the protection services	C2.2
		Promotion of library services	C2.3
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT			
To practice sound financial management principles	D1	Develop and implement revenue enhancement strategy	D1.1
		Debt and credit control management	D1.2
		Improve effectiveness and efficiency of Supply Chain Management	D1.3
		Cash flow management	D1.4
		Improve asset management	D1.5
		Improve audit outcome	D1.6
GOOD GOVERNANCE AND PUBLIC PARTICIPATION			
To promote effective public participation in the affairs of the municipality	E1	Strengthening the functionality of ward committees	E1.1
		Develop and implement public participation framework	E1.2
		Ensure stakeholder management	E1.3
	E2	Ensure compliance with all applicable legislations and policies	E2.1
		Ensure functionality of Council committees	E2.2
		Ensure and maintain functionality of Internal Audit unit activities	E2.3
		Develop and implement risk management plan	E2.4
		Ensure utilisation of Batho Pele culture	E2.5
CROSS CUTTING ISSUES			
To ensure a development orientated municipal planning	F1	Facilitation and formulation of a credible IDP	F1.1

To promote urban rural spatial development	F2	Facilitate integrated land use and spatial planning	F2.1
		Promote GIS as a strategic tool within the municipality	F2.2
To prevent and mitigate disaster incidents	F4	Effective implementation of disaster management plan	F4.1

CHAPTER 4: ANNUAL PERFORMANCE REPORT

NLM developed its Performance Management Framework that describes and represent how the municipal cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be undertaken, organised and be managed including determining roles of different role player. The framework is reviewed annually.

This section will indicate, in more detail, the performance of the Municipality for the financial year and makes reference to the supporting documentation, including the Municipal Scorecard. The performance reporting of the Municipality in this section is done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the Municipality for the financial year, comparisons to performance of the previous financial year and measures taken to improve performance.

This report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP) for 2018/19.

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP).

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

4.1. PERFORMANCE ACHIEVEMENTS ON KEY PERFORMANCE AREAS

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and

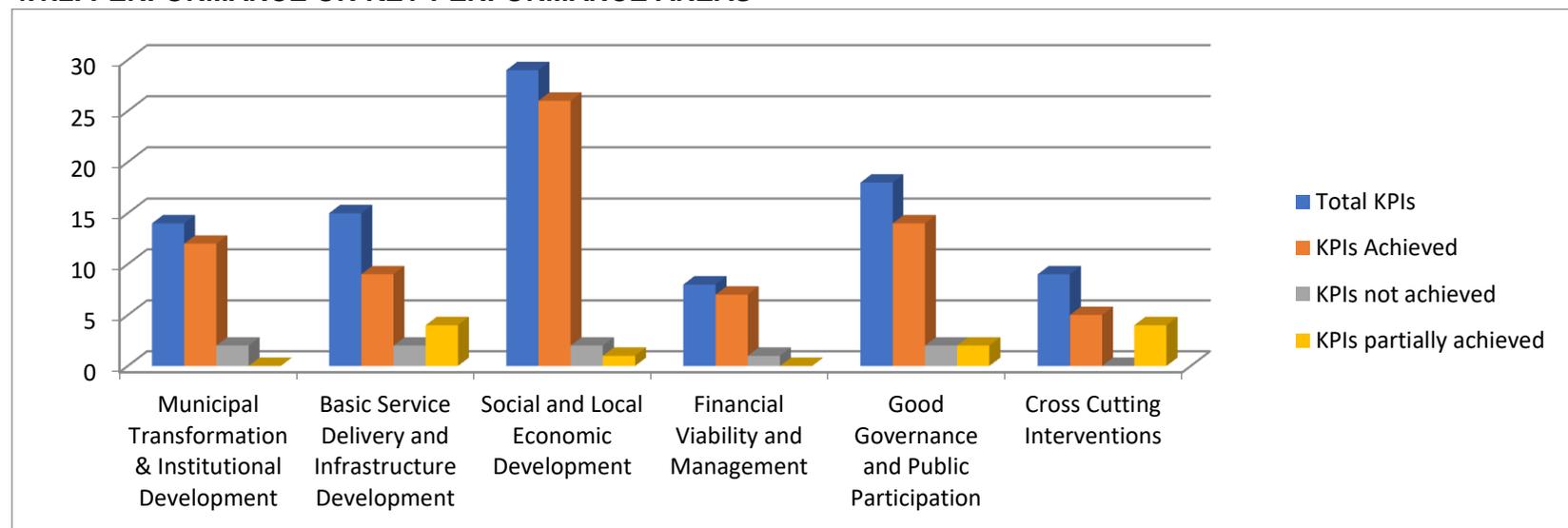
The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes. The SDBIP were prepared as described in the paragraphs below and approved by the Mayor.

Performance under each National Key Performance Area is depicted as follows:

4.1.1. ORGANISATIONAL SCORECARD (TOP LAYER SDBIP)

National Key Performance Area	Total KPIs	KPIs Achieved	KPIs not achieved	KPIs partially achieved
Municipal Transformation & Institutional Development	14	12	2	0
Basic Service Delivery and Infrastructure Development	15	9	2	4
Social and Local Economic Development	29	26	2	1
Financial Viability and Management	8	7	1	0
Good Governance and Public Participation	18	14	2	2
Cross Cutting Interventions	9	5	0	4
Overall performance				78%

4.1.2. PERFORMANCE ON KEY PERFORMANCE AREAS



4.1.3. ORGANISATIONAL PERFORMANCE COMPARISON WITH PREVIOUS YEAR 2017/18

PREVIOUS YEAR 2017/18						CURRENT YEAR 2018/19				
KPA	Total KPIs	KPIs Achieved	KPIs not achieved	KPIs partially achieved	% achievement	Total KPIs	KPIs Achieved	KPIs not achieved	KPIs partially achieved	% achievement
Total	129	88	23	18	68%	93	73	9	11	78%

The organisational scorecard gives further details on Key Performance Indicators.

4.2. ASSESSMENT OF SERVICE PROVIDERS

Section 46 of the Municipal Systems Act require

A municipality must prepare for each financial year a performance report reflecting—

(a) the performance of the Municipality and each external service provider during that financial year;

The table below seeks to serve that purpose:

ASSESSMENT OF EXTERNAL SERVICE PROVIDERS TEMPLATE IN TERMS OF SECTION 46 OF THE MUNICIPAL SYSTEMS ACT 32 OF 2000
DEPARTMENT: TECHNICAL SERVICES **PERIOD: 2018/19**

ASSESSMENT KEY	
Good (G)	The service has been provided at an acceptable standard and within the time frames stipulated on the SLA/ Contract
Satisfactory(S)	The service has been provided at acceptable standards and outside of the time frames stipulated in the SLA/ Contract
Poor (P)	The services has been provided below acceptable standards

EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e.(GOOD/ SATISFACTORY/ POOR/VERY POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
MARISWE	CIVIL ENGINEERING CONSULTING SERVICES	100%	S	N/A	Q4
NIKERESA CONSTRUCTION	CONTRACTOR(Mphuphusi sportsfield)	100%	S	N/A	Q4
MGOBOYI CONSULTING	CIVIL ENGINEERING CONSULTING SERVICES	100%	S	N/A	Q4
SIPILATO TRADING	CONTRACTOR (Bhugwini Gravel Road)	100%	G	N/A	Q4
TPL MKHIZE	CONTRACTOR (Qedumona Sportfield)	100%	G	N/A	Q4
MINATHI CONSULTING	CIVIL ENGINEERING CONSULTING SERVICES	100%	S	N/A	Q4
NJENGAMANJE TRADING	CONSTRUCTION (Mankulumane Gravel Road)	100%	G	N/A	Q4
ZILAMKHONTO TRADING	CONTRACTOR (Ndema Community hall & crèche)	100%	G	N/A	Q4
UMZIMKHULU TRADING ENTERPRISE	CONTRACTOR (Emzweni community hall)	100%	G	N/A	Q4
UZAMILE TRADING	CONTRACTOR (Nkolweni gravel road)	100%	G	N/A	Q4
BI INFRASTRUCTURE	CIVIL ENGINEERING CONSULTING SERVICES	100%	S	Mig Progress meetings held with consultants	Q4
MBOVU DYNAMICS	CONTRACTOR (Ekubuseni crèche)	100%	G	N/A	Q4
NHLOSO DEVELOPMENT CONSULTANTS	CONTRACTOR (Mona sportsfield)	100%	S	Extension of time granted	Q4
UZAMILE TRADING	CONTRACTOR (Sgubudu community hall)	100%	P	Site meetings and inspections with engineers and contractor held.	Q4

EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e.(GOOD/ SATISFACTORY/ POOR/VERY POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
BI INFRASTRUCTURE	CONTRACTOR (Qondile to KwaJuba Phase 2)	100%	G	N/A	Q4
BI INFRASTRUCTURE	CONTRACTOR (Nzondwane to Ndongande Phase 2)	100%	G	N/A	Q4

PROTECTION SERVICES

EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e (GOOD/ SATISFACTORY/POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
AROS SECURITY	Provide security services	Provide security in municipal buildings and provides security to office bearers.	Good	N/A	Q4

FINANCE DEPARTMENT

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e (GOOD/ SATISFACTORY/POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
Pay Day Software System (Pty)Ltd	Pay roll and HR services	95%	Good	N/A	Q4
Ntshidi and Associates	Value added tax services Recovery	90%	Good	N/A	Q4
INKAZIMULO	Preparations of Annual Financial Statements and Fixed Asset Register	90%	Good	N/A	Q4
Camelsa Consulting Group Systems	Providing Financial system, Financial Accounting, Project management and asset register	70%	Good	N/A	Q4
MADHLOPHA	Collecting outstanding debts on behalf of municipality	60%	Good	N/A	Q4
Indwe Risk Services	Provision of insurance services	90%	Good	N/A	Q4

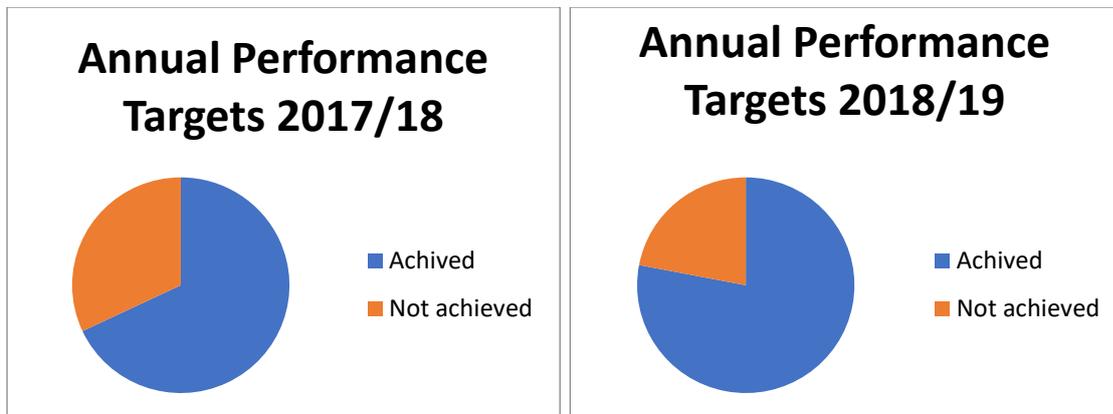
NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e (GOOD/ SATISFACTORY/POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
BPG Mass	Valuation roll services	80%	Good	N/A	Q4

CORPORATE SERVICES

NAME OF EXTERNAL SERVICE PROVIDER	SERVICE PROVIDED IN TERMS OF SIGNED SLA	PERFORMANCE TARGET	ASSESSMENT OF SERVICE PROVIDER'S PERFORMANCE i.e (GOOD/ SATISFACTORY/POOR)	CORRECTIVE MEASURE IN CASE OF UNDUE PERFORMANCE	ASSESSMENT PERIOD 2018/19 Q1/Q2/Q3/Q4
HR Concept	Development of job descriptions	Achieved	Good	N/A	Q2 and Q3
GreenG	Installation of clocking system	Achieved	Good	N/A	Q3
Summat Institute	Provision of training in terms of Scope	Yes	Good	N/A	Q2
Nashua	Provision of printing machines and telecommunications	Not Achieved	Poor	To seek legal opinion on terminating contract	Q1, Q2,Q3,Q4
Ingabadi	Website hosting, development and maintenance	Not Achieved	Poor	To seek legal opinion on terminating contract	Q1,Q2,Q3,Q4
ZW Ngwenya Attorney and Shepstone Wylie	Rendering of legal services	Achieved	Achieved	N/A	Q1,Q2,Q3,Q4

4.3. KEY AREAS TO NOTE ON PERFORMANCE OF NONGOMA MUNICIPALITY

Overall the performance of Nongoma Local Municipality has improved from 68% to 78% between the 2017/18 and 2018/19 financial year.



The municipality received an unqualified audit opinion on the audit of performance information for the 2017/18 financial year. There were still misstatements in the annual report, these misstatements were on the reported performance information of the Basic Service Delivery and infrastructure development priority; however, the management corrected that and that it led to the audit opinion received. There were no material findings raised on the usefulness and reliability of reported performance information for 2017/18 FY.

Performance is a key driver to execute Local Government Strategy. A number of strategic issues impact on Organisational Performance. Seamless alignment of all operation and strategic processes and harmony in policy development and other strategies is very important to achieve the municipal vision.

**ANNEXURE A - CONSOLIDATED AFS FOR THE YEAR ENDED 30 JUNE
2019**

ANNEXURE B - AUDITOR GENERAL'S REPORT – 2018/2019

ANNEXURE C - AUDIT ACTION PLAN – 2019/2020

AUDIT ACTION PLAN ON 2019/2020 AUDIT REPORT

ANNEXURE A							
AUDIT FINDINGS	DESCRIPTION	INTERNAL CONTROL DEFICIENCY	MANAGEMENT ACTION	RESPONSIBILITY	DUE DATE	PROGRESS	POE (Indicator)
Bid adjudication committee sittings inadequate	During the audit of procurement and contract management, it was noted that tenders were adjudicated by only three members of the adjudication committee.	Processes and procedures were not in place to ensure that the requirements of the Municipal SCM Regulations were adhered to.	1. Management will develop a compliance checklist with minimum requirements to be met before all tenders are awarded.	CFO	2020/01/31		1. Compliance checklist
Bid adjudication committees not appropriately constituted	During the audit of procurement and contract management, it was noted that the adjudication committees were not constituted as required by the municipal SCM regulations as there was no senior supply chain management practitioner present in the adjudications committee.	Processes and procedures were not in place to ensure that the requirements of the Municipal SCM Regulations were adhered to.	1. Management will develop a compliance checklist with minimum requirements to be met before all tenders are awarded. 2. Accounting officer to appoint a SCM Manager to be a member of BAC.	CFO, MM	2020/01/31	1. SCM Manager has been appointed as member of BAC	1. Appointment letter 2. Compliance checklist

Local content not appropriately advertised	The specification for the following closed quotations, which are for goods from designated sectors, did not indicate the minimum threshold for local production and content: 1. Baby blue V-Neck navy Golf T-Shirt. 2. Supply of furniture	Notwithstanding prior year findings on local content, employees responsible for supply chain management still do not have a full understanding of the requirements of local content. Management did not ensure that items making up the minimum threshold were documented in the SCM specifications.	1. SCM unit will print the list from PPR for designated sector goods and services. The list be placed on notice board and SCM office. 2. Payment voucher be amended to include local content. 3. Training of SCM official on local content.	CFO, SCM	2020/01/31	Training attended at Zululand District Municipality in November 2019	1. List of goods and services of designated group. 2. Amended payment voucher
Invalid deviations from supply chain processes	During the audit of procurement and contact management it was noted that the following procurement was approved by the CFO even though three quotations were not obtained and the reasons for not requesting and obtaining 3 quotations was not documented: Grader repairs & accommodation	Processes and procedures were not in place to ensure that the requirements of the municipal SCM regulations were adhered to	1. To advertise and appoint the panel of service providers for different services inter alia: accommodation, motor & equipment repairs.	CFO, MM	2020/02/28	The tender advertised in December 2019.	1. Proof of advert 2. Appointment letter
Incorrect number of households reported for refuse removal	Upon inspection of the Annual Performance Report and Waste Management Report, it was noted that certain townships were being serviced with refuse removal services but were not reported in the Annual Performance Report	Management had not sufficiently quantified the total number of households that were being serviced for refuse removal. The billing report was used instead of the actual number of households that are being serviced	1. Revise the target on municipal SDBIP 19/20. 2. Adjust the number of beneficiaries on APR	MM	2020/01/31		1. SDBIP 2019/20 revised
Unauthorised, irregular and fruitless and wasteful expenditure not prevented	During the audit of the disclosure notes, it was noted that the municipality had incurred unauthorised, irregular as well as fruitless and wasteful expenditure for the 2018-2019 financial year. The unauthorised, irregular,	The accounting officer did not implement adequate processes to prevent the occurrence of unauthorised, irregular, fruitless and wasteful expenditure	1. Adherence to checklist on all payment vouchers. 2. Management to perform voucher audit in February and July 2020. 3. Identified UIFW be reported to council with SCM report each quarter. 4. Unauthorised expenditure be authorised by	CFO, MM, MPAC	1. On-going 2. February & July 3. Quartely 4. On-going (MFMA regs) 5. On-going		1. Expenditure Manager sign to confirm checklist. 2. Voucher audit report 3. SCM reports & council

	fruitless and wasteful expenditure disclosed in notes 44, 46 and 45: (a) occurred in the current and prior years (b) related to the same transgression from the prior year being overspending on municipal budget, non-compliance with SCM regulations and interest on overdue accounts. (b) could have avoided had reasonable care been taken.		council before year end through adjustment budget. 5. Timeous payment to SARS 6. Investigate UIFW				resolutions 4. Council resolution 5. SARS statement 6. MPAC report
ANNEXURE B & C							
AUDIT FINDINGS	DESCRIPTION	INTERNAL CONTROL DEFICIENCY	MANAGEMENT ACTION	RESPONSIBILITY	DUE DATE	PROGRESS	POE (Indicator)
Payment to suppliers not made within 30 days	During the audit of expenditure, it was noted that the following payments were not made within 30 days of receipt of the respective invoices	Management did not exercise due care in ensuring that all payments were made within the stipulated 30-day time period	1. Management will ensure the systematic process of receiving invoices to ensure monitoring of creditors. 2. Reasons for late payment will be documented.	CFO	On-going		
Insufficient IT Steering Committee meetings held	Upon inspection of the ICT steering committee minutes, it was noted that only one meeting was held in the financial year	Management did not adequately ensure complete compliance with the ICT Steering Committee Terms of Reference policy	1. Management will ensure adherence to ICT policies and ensure meetings are taking place	HOD: Corporate services	On-going		
Indigent relief expenditure overstated	a) Indigents that are deceased on the National Population Register (NPR) and appearing on the indigent register as active: With the application of computer assisted audited techniques, a comparison	Management had not sufficiently quantified the total number of households that were being serviced for refuse removal. The billing report was used instead of the actual number of households that are being	1. Appointment of service provider to compile and test applicants for authenticity. 2. Regular review of Indigent register and testing of new indigent applicants	CFO	1. 28/02/20 2. On-going		

	between the NPR records and the indigent register revealed deceased individuals included in the indigent register as active	serviced					
	b) Indigents that have an interest in a supplier of the state: With the application of the computer assisted auditing techniques it revealed that indigent has an interest in a company that deals with the state:						
	c) Indigents with an invalid ID number: With the application of the computer assisted auditing techniques it revealed that indigents have invalid ID numbers						
	d) Indigents in the service of the state: With the application of the computer assisted auditing techniques it revealed that indigents are in the service of the state:						
	e) Indigents with duplicate ID numbers: With the application of the computer assisted auditing techniques it revealed that the following indigents have duplicated ID numbers, resulting in them being counted twice on the register:						

ANNEXURE D - AUDIT COMMITTEE REPORT – 2018/2019