- Lack of integration on financial systems

The Ugu District Municipality in the 2013 / 2014 financial year reached the one billion rand revenue mark. As illustrated in Table 3.9.4.1, the district's own revenue makes up 35% of the total revenue.

Table 3.9.4.1: Ugu District Municpality Revenue
Source: Ugu District Munipality Finance, 2015

Revenue Source	2011/2012	2012/2013	2013/2014
Total Revenue	864 691 006	902 097 394	1 023 156 993
Own Revenue Sources	328 911 558	310 380 541	358 641 964
Grants and Subsidies	535 779 448	591 716 853	664 515 029
% Own Revenue Sources	**38**	**34**	**35**
% Grants and Subsidies	**62**	**66**	**65**

The municipality has adopted a revenue enhancement strategy and a debt reduction strategy to address the challenges identified in revenue management. The projects under these strategies are being implemented in phases as the completion of one project triggers the commencement of the next phase. The result of full implementation will be a reduction in grant dependency as the municipality's own revenue base increases.

The municipality is also planning to review its tariff structure in the next financial year. this is in line with the review of the municipality's tariffs which revealed that some of the charges are not fully cost reflective and some services may be rendered at a loss. This project is part of the recommendations of the revenue enhancement strategy.

The district has targeted 98% accuracy and completeness of billing as one of the objectives of enhancing revenue. In order to achieve these targets the district will ensure:

- Increase billing of rural customers through geographically referencing all households;
- A review and update of the Consumer database;
- Data Migration management to a new Billing System;
- Development of the Billing Policy on Ad hoc charges;
- Implementation of the Revenue Enhancement Strategy; and
- Review of current tariff model and structure.

3.9.5. Budgeting

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets and this has been the practice followed by Ugu Municipality over the past financial year. The following are the challenges that can be associated with budgeting:

- Slow spending on conditional grants resulting in rollovers
- Lack of a full cost recovery system for some services.
- Low cash collection ratio.
- New capital expenditure has not been accurately aligned with related operating requirements.

- Annual operational budget has not been able to fully support the development priorities and targets.
- The strategic split of the Capital Budget between social and economic expenditure has far reaching implications on the future operating budget and sustainability.
- Improved debt collection.
- Clear measurable budget and implementation plans aligned to the IDP.

The municipality targets to reduce rollovers by 100% in the next financial year through ensuring full spending on all gazetted allocations. The adoption of procurement plans has assisted in accelerating spending on grants and capital projects.

3.9.6. Expenditure

The Ugu District Municipality has recorded some challenges regarding the expenditure which have been identified as follows:

- Grant dependency on capital expenditure.
- Late submission of invoices resulting in late payment penalties
- Inadequate accrual and commitment accounting.

Furthermore, the district is committed to maintaining a 30 days creditor payment period; reduction of fruitless and wasteful expenditure to 0.5% of total operating expenditure, monthly reconciliation of all supplier accounts to ensure accuracy in payments, and periodic review of cheque and Electronic Funds Transfer signatories.

3.9.7. Capability of the Municipality to Execute Capital Projects

The municipality has a fully-fledged Project Management Unit and each project is assigned to a Project Officer who monitors and reports monthly on the performance of the contractors. The municipality achieved 90% expenditure on its capital budget in the prior years. The targeted 100% expenditure will be achieved through continuous implementation and monitoring of the procurement plans. Table 3. 9.6.1 below reflects a trend since 2009/2010 financial year up to the previous financial year, 2013/2014.

Table 3.9.6.1: Ugu District Capital Spending
Source: Ugu DM Treasury, 2015

Description	2010/11	2011/12	2012/13	2013/14	2014/2015
Budget	315 702 681	335 092 217	282 068 275	342 664 462	393 204 664
Actual	202 671 797	247 162 181	191 179 897	308 818 290	336 473 767
% spent	64.20%	73.76%	67.78%	90.12%	85.57%
% growth - budget	-24.42%	6.14%	-15.82%	21.48%	14.75%
% growth - actual	-46.53%	21.95%	-22.65%	61.53%	8.96%

3.9.8. Indigent Support

Ugu District municipality's indigent register has a total of 6616 for water and 2638 sanitation households. The register is reviewed and updated monthly. An annual verification of the indigent status of all beneficiaries is conducted in line with the amendments in the qualifying criteria adopted with the reviewed policy. The following amendments were effected in the existing policy which will further be reviewed before implementation in 2016/17 financial year.

- Restriction of the benefit to exclude consumers who reside within body corporates where the account holder is the body corporate.
- Review of indigent beneficiary status to be done on the anniversary of the subsidy.
- The total household income threshold for qualification is R2 600 per household per month which is based on two state pensions.
- The municipality embarks on indigent road shows annually to create awareness of the available relief and register those who qualify for the benefit

3.9.9. AG Report

The municipality received a Unqualified Audit Opinion in the 2014/15 financial year. This was an improvement from the Qualified opinion received in 2013/2014 financial year. Action plans to improve the audit opinion are currently in place and being implemented in order to achieve the following targets:

- Review and updating of the asset register
- Improving compliance with Supply Chain Regulations to reduce irregular expenditure
- Improving accuracy and completeness of revenue
- Reduction of fruitless and wasteful expenditure
- Updating of the commitments and retentions register
- Monthly leave reconciliations and updating of the Payday leave balances after verification
- Implementation of the Electronic Document Management System to improve document control.
- Compilation of quarterly financial statements
- Monitoring and reporting on the implementation of the compliance checklist by management.
- Maintenance of evidence files on performance information

The details of the 2014/ 2015 auditor general findings and action plans to address them thereof are captured in **Annexure 2**.

3.9.10. Consumer Debt

The Municipality bills for the water, sanitation, shared services, environmental health services and other miscellaneous services. Major services are provided to households. The effects of the global economic downturn / decline have resulted in an increase in the total consumer debt since 2009.

Table 3.9.10.1: Ugu District Consumer Debt Age Analysis
Source: Ugu Treasury, 2015

Description	2009 / 10	2010 / 11	2011 / 12	2012/13	2013/14
Households	27 880 190	10 977 753	20 018 371	114 036 568.14	158 547 161.25
Business	10 457 089	17 052 686	9 705 442	27 516 186.52	36 106 294.35
Government	6 136 746	5 603 402	9 048 646	4 954 804.85	10 368 996.67
Other	801 724	6 203 264	3 880 538		
Total Consumer Debt	**45 275 749**	**39 837 105**	**42 652 997**	**146 507 559.51**	**205 022 452.27**
% growth		**-12.01%**	**7.07%**		**39.93%**

The consumer debt age analysis in table 3.9.9.1 shows a huge increase in percentage from 2011/12 to 2013/14 financial years as a result of additional properties being billed following the data cleansing exercise which is still ongoing. Furthermore, debt age analysis reveals that about 50% of the debtors are over a year old as illustrated in Figure 3.9.10.1.

Council has resolved to write off long outstanding debt on certain categories which had been identified as irrecoverable. The meter audit and data cleansing projects are ongoing and will result in the correction of errors on accounts leading to a reduction in outstanding debt.

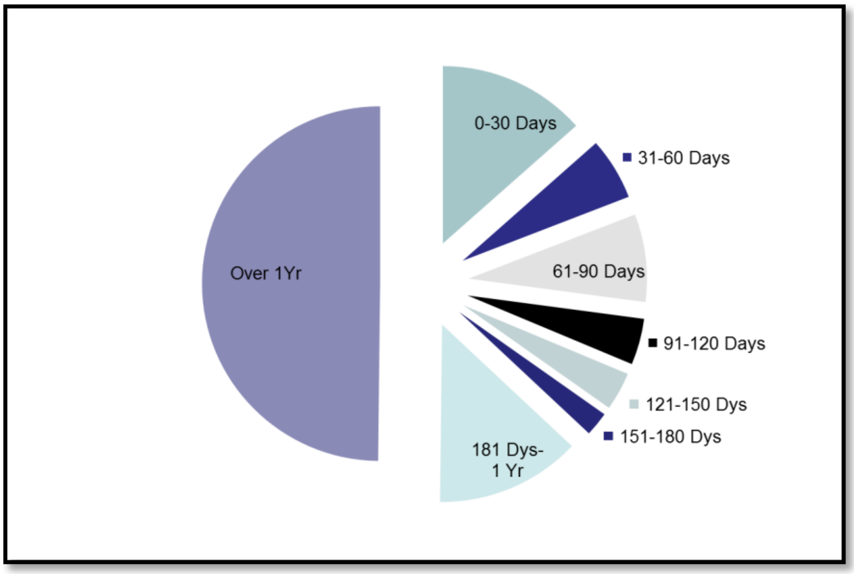

Figure 3.9.10.1 Ugu District Consumer Debt Age Analysis
Source: Ugu District Finance, 2015

3.9.11. Municipal Financial Viability and Management Emerging Key Issues

The emerging key issues with regards to the Municipal Financial Viability and Financial Management analysis are summarised as follows:

- New capital expenditure has not been aligned with related operating requirements.
- Operational budget has not been focused to support the development priorities.
- The strategic split of the capital budget between social and economic expenditure has far reaching implications on future operating budget and sustainability.
- Customer query resolution in keeping with the Batho Pele principles has placed pressure on the District's ability to render uniform services at all its customer care outlets.
- Improve debt collection.
- Clear measurable budget and implementation plans aligned to the SDBIP.
- Exceeding overtime budget.
- The accumulated reserves have been depleted
- Existing infrastructure has not been maintained at the desired levels resulting in loss of revenue from water losses.
- Extension of municipal services in rural areas has resulted in an increase in total book debt due to inadequate consumer database.
- Lack of accurate meter readings has affected the credibility or accuracy of water statements.

- Reduction in debt collection levels as consumers lack confidence in the billing system.
- Global slowdown in the economy has impacted on the customers' ability to pay bills leading to an increase in subsidised customers.

3.10. Good Governance & Public Participation Analysis

Good governance as per the democratic principles can be achieved through effective public participation. Public participation allows constituents to monitor the governance record of its elected officials and further encourages the public to take an active interest in the performance of their municipality and region. It is through broad public participation that citizens can recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society.

The Ugu District has therefore made every attempt to ensure it allows all of its citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and therefore, Ugu District Municipality has ensured that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This was done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance.

3.10.1. Internal Information & Communication Technology

The ICT Section, placed within the Corporate Servcies Department is primarily responsible for the implementation, monitoring and reporting for the following ICT services supplied to the Municipality;

- Infrastructure planning, maintenance and support
- Budgeting and accounting for ICT services
- Business relationship management
- ICT Capacity management
- ICT Change control management
- ICT Systems Configuration management
- Continuous ICT Improvement
- ICT Incident management and request fulfilment
- ICT Information security management.
- Quarterly ICT Steering Committee Management reviews
- Continous Measurement of ICT Services
- ICT Problem management
- ICT systems Release and deployment management
- ICT Risk management
- ICT Service continuity and availability management
- ICT Service design
- ICT Service level management and quarterly reviews of service levels

- ICT Service planning and monitoring
- ICT Service reporting

During the 2015/16 financial year the Municipality embarked on a rigorous ICT Turn around strategy which was closely monitored by the Executive Committee and Management Committees of the Municipality. The ICT Turn around strategy prioritised the following Key Focus areas within ICT for immediate action;

Priority 1: Power supply stabilisation during and after load shedding

Priority 2: Key personnel GAP identification and contract engagement

Priority 3: Network stability and ongoing daily preventative maintenance

Priority 4: Daily, weekly and monthly Backups of critical data

Priority 5: Telemetry support

Priority 6: Voice quality at Bazley, Park Rynie, Marburg and Harding offices

Priority 7: Documentation of various business processes

These 7 priorities over a period of 8 months were largely resolved and resulted in the stabilisation of ICT and associated services of ICT within the Municipality.

In addition to these priority areas, ICT implemented a variety of other projects thereby adding relevance, new technologies and relevance.

Projects implemented included;

- Implementation of an MPLS network across 9 geogrpahical sites
- Incident Management System for ICT, Water Services Control Centre, Customer Centre and Disaster Management
- Various upgrades to the back end environments, infrastructure and software
- Upgrades of core infrastructure
- The establishment of a Disaster Recovery solution
- The migration and upgrade of the Ugu website to Microsoft SharePoint
- The Development of a legislative framework and monitoring tool for the Ugu website
- Rigorous ICT security review sessions with all staff
- ICT Policy Strategy, ICT Governance Framework and Charter and ICT total policy reviews and adoption
- The use of cloud technology services
- The development of an ICT Govenance monitoring tool

During this period as a result of the Corporate Services Cluster in the District, an ICT District Forum sub cluster was established amongst the 7 Municipalities of the District. This forum meets every second month and to date has launched successful mutual training initiatives, hosted a number of presentations, mapped key areas of support and other valuable interactions.

The ICT unit consists of 10 permanent personnel and there are 2 interns and 1 learnership student within the ICT unit, being continuously capacitated within the ICT market space.

Aggressive ICT Training for ICT personnel has been conducted and is ongoing. The ICT Governance (ITIL and COBIT), Project Managemnet (PRINCE2) , Adroit SCADA Training, Knowledge Management sessions, ICDL, Filerite and Dataviewer, EDMS Training and other areas of support training has been conducted.

ICT is a Good Governance and Public Participation implementation area with a key focus on the strategic objective to create a conducive environment for participatory development.

3.10.2. Intergovernmental Government Relations

The Intergovernmental Relations Act requires the establishment of structures and mechanisms aimed at ensuring a high level of input. In striving towards the IDP as a plan for the government sector as a whole the following IGR structures are in place:

- District Intergovernmental Forum;
- Mayors' Forum
- Speakers' Forum
- Municipal Managers' Forum
- Chief Financial Officers' Forum and
- District Development Planning Forum.

Further to the above IGR Structures were established which are as follows:

- Social Transformation Cluster
- Local Economic Development Cluster
- Governance & Administration Cluster and
- Basic Infrastructure & Public Facilities Cluster.

In terms of the functionality of the IGR structure Table 3.10.1.1 below gives a broad overview.

Table 3.10.1.1: Ugu District IGR Functionality
Source: Ugu DM IGR, 2015

Structure Name	Recommend/ Reports to Where	Chairperson	Members	Functionality	Frequency of Meetings
Mayors' Forum	Premier's coordinating forum	District Mayor	Local Mayors	Functional	Once per quarter
Speakers' Forum	Public Participation	District Speaker	Local Municipality Speakers	Functional	3 Times In A Year
Municipal Managers' Forum	Mayors' forum	District Municipal Manager	Municipal Managers	Functional	Once per quarter
Chief Financial Officers' Forum	Cluster	District CFO	Chief Financial Officers	Functional	Once per quarter

Structure Name	Recommend/ Reports to Where	Chairperson	Members	Functionality	Frequency of Meetings
District Development Planning Forum	Cluster	Ugu District Development Planning Manager	District Family Town & Regional Planners	Functional	Bi - Monthly
Financial Cluster	Municipal Managers' forum	Ugu District: CFO	LMs and sector departments	New	Once per quarter
Local Economic Development Cluster	Municipal Managers' forum	Ugu DM: GM IED	LMs and sector departments	Revived	Once per quarter
Governance & Administrative Cluster	Municipal Managers' forum	Ugu DM: GM Corporate Services	Local municipalities and sector departments	Revived	Once per quarter
Technical and Infrastructure Cluster	Municipal Managers' forum	Ugu DM: GM Water Services	LMs and sector departments	Revived	Once per quarter
Communications Cluster	Municipal Managers' forum	Ugu DM: SM Communications and Mayorality	LMs and sector departments	New	Once per quarter

3.10.3. Municipal Structures

In line with Section 80 of the Municipal Structures Act, the Municipality currently has five multi-party Portfolio Committees, namely:

- Finance Portfolio Committee
- Water and Sanitation Portfolio Committee
- Local Economic Development Portfolio Committee
- Special Programmes Portfolio Committee
- Sound Governance and Human Resource Portfolio Committee

These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects. Table 3.10.2.1 gives the functionality of these committees.

Table 3.10.2.1: Ugu District Standing Committees Functionality
Source: Ugu DM Review of functionality of decision-making, oversight and related matters, 2013

Committee	Function	Decision Making Powers	Recommend/ Report to	Chairperson	Members	Functionality	Meetings Frequency
Council	No TOR Rules & Orders have TOR information.	Passing of by-laws Approving Budgets Imposing rates, taxes levies & duties Raising loans, Approving/ Amending IDP Entering SLA Setting tariffs Appointment of MM	Nil	Speaker	35	Monthly; Meetings; Oversight Role; & Decision-Making	Monthly

Committee	Function	Decision Making Powers	Recommend/ Report to	Chairperson	Members	Functionality	Meetings Frequency
		and Managers reporting to MM. Adoption of Policies					
EXCO	No TOR Rules & Orders have TOR information	Recommending Bodies	Council	Mayor	7 members 3 ex-officio	Monthly; Meetings; Oversight Role; & Decision-Making	Bi-monthly
Finance Portfolio Committee	TOR approved 2011 S79/80 MSA Committee Primary function of oversight – financial matters.	Not a decision making body. No delegated powers. Makes recommendations to Exco.	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Water and Sanitation Portfolio Committee	TOR approved 2011 S79/80 MSA Committee Primary function of oversight – water and sanitation matters.	Not a decision making body. No delegated powers. Makes recommendations to Exco.	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Sound Governance & Human Resource Portfolio Committee	TOR approved 2011 S79/80 MSA Committee Primary function of oversight – human resource and corporate/governance matters.	Not a decision making body. No delegated powers. Makes recommendations to Exco.	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Local Economic Development Portfolio Committee	TOR approved 2011 S79/80 MSA Committee Primary function of oversight – LED, Environmental Mgt and Environmental health matters.	Not a decision making body. No delegated powers. Makes recommendations to Exco.	EXCO	Political: Exco Member	8 members 3 ex-officio	Monthly Meetings Oversight Role Deliberations and Recommendations	Monthly
Special	TOR	Not a decision	EXCO	Politic	8	Monthly	Monthly

Committee	Function	Decision Making Powers	Recommend/ Report to	Chairperson	Members	Functionality	Meetings Frequency
Programmes Portfolio Committee	approved 2011 S79/80 MSA Committee Primary function of oversight – Special Programmes	making body. No delegated powers. Makes recommendations to Exco.		al: Exco Member	members 3 ex-officio	Meetings Oversight Role Deliberations and Recommendations	

3.10.3.1. Municipal Public Accounts Committee (MPAC)

The primary function of a MPAC is to help council to hold the executive and the municipal administration to account and to ensure the efficient and effective use of municipal resources. It will do this by reviewing public accounts and exercising oversight on behalf of the Council. The committee examines the following:

- 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
- any other financial statements or reports referred to the committee by council and
- the annual report on behalf of council and make recommendations to council thereafter the MPAC may:
- report on any of those financial statements or reports to council
- initiate and develop the annual oversight report based on the annual report
- initiate any investigation in its area of competence and
- perform any other function assigned by resolution of council.

The MPAC sits quarterly as per the calendar of meetings of the municipality and has five members. For the 2014 calendar year the meetings are scheduled as follows:

Table 3.10.2.2: Ugu District Standing Committees Functionality
Source: Ugu DM MPAC Meetings Schedule, 2015

2016				
	Mar	June	Aug	Nov
Municipal Public Accounts Committee (MPAC) 14H00	04	10	05	25

3.10.3.2. Municipal BID Committees

The municipality has put in place the BID Committees and are all functional. The sittings of committees are on a monthly basis and are scheduled on annual basis. The committees are comprised as follows:

i. BID Specification

The BID Specification Committee is a committee of three and two members make up the quorum. The committee is made up of the following members:

- GM: Water Services (Chairperson)
- Senior Manager Water Services
- Senior Manager: WSA
- Manager: Fleet
- Contracts Co-ordinator
- Registry and Auxiliary Services Officer

The participants from user departments are on an invitation basis.

ii. BID Evaluation

The BID Evaluation Committee is a committee of five and three members makes up the quorum. The committee is made up of the following members:

- GM: Corporate Services (Chairperson)
- Registry and Auxiliary Services Officer
- Manager: PMU
- Contracts Co-ordinator

The Senior Manager Water Services, Manager ICT, Secretariat, Auxiliary and Assistant Project Officer are the alternate members. The participants from user departments are on an invitation basis.

iii. BID Adjudication

The BID Evaluation Committee is a committee of five and three members makes up the quorum. The committee is made up of the following members:

- GM: Financial Services (Chairperson)
- Manager: PMU Finance
- GM: Water Services
- Manager: SCM
- Manager Grants & Expenditure

The GM: IED, Manager ICT and Planning Engineer: WSA are the alternate members. The manager reporting to CFO will chair in absence of CFO. The participants from user departments are on an invitation basis.

Appeal Authority

Manager Legal Services as delegated by the Accounting Officer has the appeal authority and no delegated authority is given to Bid Committees. All recommendations are directed to the Accounting Officer.

3.10.4. Internal Audit

In terms of section 165 of the MFMA, an in house Internal Audit section has been in operation since 2004. The following functions are discharged in accordance with an approved Internal Audit Charter:

- **i.** To examine, evaluate and improve the adequacy and effectiveness of the municipality's governance, risk management processes and systems of internal control:
  - Governance: assisting senior management in achieving the goals of the municipality by evaluating and approving the process through which goals & values are established, communicated and monitored accountability is ensured and municipal values preserved;
  - Risk Management: assisting the Executive Committee and senior management in identifying, evaluating and assessing significant organisational risks and providing assurance as to the effectiveness of the related internal controls;
  - Internal Controls: evaluating the effectiveness and efficiency of the information systems environment, financial and operational information, operations, safeguarding of assets and compliance with laws, regulations and controls;
- **ii.** To conduct special investigations and other ad hoc projects at the request of management; and
- **iii.** To report to the Audit Committee and Municipal Manager.

Internal Audit completes internal audit reviews in accordance with an approved three-year strategic plan. The plan is formulated using a risk based approach and includes evaluating the effectiveness and efficiency of the information systems environment, financial and operational information, operations, safeguarding of assets and compliance with laws, regulations & controls.

3.10.4.1. Forensic Services

The Internal Audit unit also conducts forensic investigations and fraud risk management services.

The District Municipality together with its local municipalities have committed themselves to fight against fraud and corruption. They have strengthened their fraud prevention and detection techniques by jointly procuring the services an Anti Fraud and Corruption Hotline from an independent service provider where members of the public can anonymously blow the whistle on fraud and corruption.

The contact details for the Anti Fraud and Corruption Hotline are as follows:-

Toll Free: 0801 111 660 – Email: information@whistleblowing.co.za – Fax: 086 5222 816 - P. O. Box 51006, Musgrave, 4001

3.10.4.2. Internal Audit Committee

The Internal Audit Committee is functional and sits on a quarterly basis or as and when the need arises. The members are appointed on a three-year term. There are currently three members appointed and one vacancy which has already been advertised. The total number being four. Two of the members are Chattered Accountants and the other member is in the field of law. The vacant post is to be filled by a person who has experience in the field of Municipal Performance Management.

3.10.5. Community Participation Strategy

A Community Participation Strategy has been developed which is aimed at consolidating and formalising these initiatives to ensure that there is an effective, well co-ordinated and ongoing interaction between the municipality and the communities it serves on municipal affairs.

The municipality's intention is to strengthen community participation processes however, there is a need to implement interventions to improve the level of participation by the community, especially the urban based members of the public. Although this strategy is in existence, its adequacy in terms of communication could not be ascertained.

Within Ugu District, one way of implementing the Community Participation Strategy and involving communities within the IDP and Budget process is through the IDP/Budget road shows and Mayoral Izimbizo. Community inputs made during the Mayoral Izimbizo inform the budget processes of the municipality as it is part of the consultation process aimed at improving public participation in the affairs of the District.

The Ugu District Public Participation Forum was established which is comprised of CoGTA representatives, local municipalities and all Public Participation Practitioners and is responsible for the coordination of public participation activities.

3.10.5.1. Ward Committees

The district includes six local municipalities with 81 wards and all ward committees have been established. However, the key challenges that hinder effectiveness of ward committees include administration / logistics support and the vastness and inaccessibility of rural wards. Some of the areas are serviced by the Community Development Workers who have a dual responsibility to report to Department of Cooperative Governance and Traditional Affairs and local municipalities.

A resolution was taken at the IGR meeting in February 2009 that ward committee members shall be paid a stipend per meeting,

Findings on the Role of Ward Committees Challenges:

Ward committee training and workshop was conducted, the following concerns were found to be primary to ward committees and were raised as issues that required immediate and utmost attention:

- There is a high level of frustration from the Ward Committee Members complaining there is no space created for them to use all the information and skills they receive from all these workshops. This is a general feeling from the Ward Committee Members that they have enough knowledge and skill now but are being underutilized and overlooked in the municipal affairs and decisions.
- There is still a high number of Ward Committees that feel there is tension between them and the Chairpersons. This is coupled with a complain that the Chairpersons of the Ward Committees do not make themselves available for workshops of this kind where issues hindering development as a result of unclear roles that must be played by both parties are explained and interrogated.

- The unstable relationship between the Chairpersons and the rest of ward committee members was sighted to have been based on the Chairperson feeling insecure as far as their positions are concerned thus active ward committee members being perceived by as declaring their ambitions for councillorship.
- There is a communication breakdown between the municipalities and the Ward Committees which affects information flow. There is no feedback on the community needs that the Ward Committees submit to the municipality for inclusion in the IDP or explanations as to why some projects are prioritised and others not. Furthermore the Ward Committees are not informed of the proposed or planned development thus cannot inform the community timelessly and effectively and cannot answer to the community.
- There are limited resources to carry out the expected duties of Ward Committees, such as loudhailers, stationery and other necessary office equipment. Furthermore, the stipend amount needs to be reviewed as it only covers telephone costs and falls short in travelling costs.
- Ward committees need to be capacitated continuously in accredited courses that will equip them with certificates so that they are able to utilise them in their endeavour to advance their careers and not just the consultation workshops.
- Municipal documents and materials to be translated into IsiZulu in a bid to accommodate the majority people of the district.
- In the adverse state of crime and scamming of the community, it is important that Ward Committees are provided with proper identity kits and introduced to the communities formally to avoid any other person coming in and posing as them.

3.10.6. Customer Relations

Customer relations unit is concerned with the customers' perception of the services rendered by the municipality and to instil and establish a positive image of the municipality in the customer's mind. The main functions performed include:

- Being an ambassador for the municipality – both internally and externally
- To resolve customer conflicts when services do not perform as expected and the customer contacts the municipality
- To answer questions from the municipality's current and potential customers
- To create and propose innovative solutions to solidify the partnership between the municipality and the customer
- To be in communication with the customers through Customer Satisfaction Surveys to understand their needs and to stay updated on the customers' perception of the municipality's services

The analysis of customer satisfaction within Ugu DM is informed by an annual customer satisfaction survey as well as records of received complaints during each financial year. The survey findings included the following:

- That most wards and/communities have access to water and sanitation, however there are water interruptions experienced more often due to aging infrastructure and drought.

- A need to improve on communication and information transmission to rural communities in particular
- The survey conducted was focused on general households district wide, soliciting views on integrated services rendered by all spheres of government hence the need for a more specific and focused Survey.

Analysis of received complaints also revealed the following:

- That there is a number of water shortages and burst pipes which is also due to aging infrastructure and drought.

There are a number of mechanisms put in place in order to ensure that communities are satisfied with the services they receive from the municipality.

- Customer Care Bus: The purchase of the mobile office will allow the municipality to reach all communities especially the rural areas. It will bring the services and information to the people.
- Service Commitment Charter: The reviewed and approved Service commitment Charter is in place and employees are workshopped on it to ensure that they are aware, comply and meet the service standards set by the municipality in delivering services.
- Complaints Handling Procedure: It is in place and assists employees in dealing with the complaints received properly and meeting the turnaround times.
- Community Outreach Programmes: These are in place and assist in educating communities about the services they receive, their rights and responsibilities.
- Quality Assurance: In place to ensure that work is done properly and timely and also determine whether or not consumers are satisfied with the service rendered.
- Batho Pele: Its programmes are in place to ensure Service Delivery improvement putting customers first and doing things right the first time for customer satisfaction.

3.10.6.1. Customer Relations Challenges

The challenges that are faced by the Customer Relations function are mainly as a result of institutional arrangement as outlined below:

- There are limited skilled personnel within the Call Centre to provide professional training.
- There is poor alignment of functions between Customer Relations and Communications hence the new proposed organisational structure which will see proper alignment and Management
- Imbalance between available call agents and peak demand in call volume has resulted in the organizational image being compromised as many callers could not get through the Call Centre lines at peak times.

3.10.7. Role of Traditional Leaders and Communities in the IDP

The internal and external role players have roles and responsibilities in terms of the IDP development process. The IDP Representative Forum consists of representatives from all local municipalities, the House of Traditional Leaders, civil society and service providers / sector departments. This forum provides public and private sector input into the IDP. Ugu District Municipality has ensured the continual participation of all the role players to ensure maximum input into the IDP process.

Traditional leadership has also been incoparated into the District Municipal Council as seven Amakhosi were added to the Council. Furthermore, Amakhosi also form part of the municipal portfolio committees.

3.10.8. Shared Services

Shared services must be aligned with provincial roles and responsibilities which are mandated by the Constitution in terms of section 104 (1) (b) (i) and section 156 (2). The following are the services that were to be shared:

- Development planning shared services
- External Audit committee
- Emergency Shared services

The Ugu family of Municipalities opted for both centralized and decentralized model of shared services. It was agreed to run shared services like a business and delivering services to internal customers at a cost, quality and timelines that is competitive with alternatives. Entering into shared services by Ugu family of municipalities purported to achieve the following:

- Shared know-how: The benefits associated with the sharing of knowledge and practice across the municipalities. This involves sharing best practice in service delivery;
- Reducing costs and avoiding duplication of effort: The benefits from economies of scale and elimination of duplicated effort to streamline and simplify delivery of services to reduce costs;
- Improving quality of service to customers: The benefits from more efficient processes can deliver greater consistency, timely and effective service delivery to customers and help reduce competition and rivalry between the Ugu DM family of municipalities;
- Responding to and facilitating organizational change: The benefits of greater structural flexibility, improving organisational learning were seen as an important lever for re-positioning the contribution of shared services as a business-driven function focused on facilitating and supporting municpal change.

Since the 9th November 2006 resolution of the Municipal Strategic Planning meeting, the Ugu District family of municipalities has only been able to share the following services:

3.10.8.1. Emergency Shared Services (Fire Fighting Shared Services)

In 2009/2010 the Emergency Services with a specific reference to fire fighting was implemented by the Municipal Managers' Forum. The municipality has a four-year plan to establish and maintain fire fighting services as per the Fire Brigade Service Act and the SANS (South African National Standards) Code 10090 (Community Fire Protection).

3.10.8.2. Development Planning Shared Services (DPSS)

Many of the smaller rural municipalities have limited planning capacity and high turnover of staff reported. It is proposed therefore, to address these limitations through the establishment of shared services for the development planning function between district municipalities and their constituent local municipalities. The form that this DPSS function will take may vary between municipalities.

It is critical to note that any restructuring must comply with relevant legislation, in particular the Municipal Systems Act (no. 32 of 2000), (mainly Chapter 8), the Intergovernmental Relations Framework Act (no. 13 of 2005) and the Municipal Finance Management Act (MFMA).

The Scope of Municipal Development Planning Functions included In the Ugu DPSS

It is proposed that three (3) Senior Planners be located in the DPSS who would provide technical support and guidance to each of the following groups of municipalities participating in the DPSS:

- Group 1 : Ugu District, Umuziwabantu and Ezinqoleni Municipalities
- Group 2 : Umdoni and Vulamehlo Municipalities
- Group 3 : Hibiscus Coast and Umzumbe Municipalities

The following are the adopted positions:

- The three Senior Planners, associated with Groups 1, 2 and 3 respectively will focus on providing Spatial Planning and Development Administration Capacity to the participating municipalities. They will, however, also strengthen the strategic planning and performance management related functions within the participating municipalities.
- The Development Administration Specialist will develop and maintain the Development Administration System for the family of municipalities, i.e. will provide development admin support to all the municipalities in the family.
- These four positions created as part of the DPSS will also provide technical planning support to planning staff in municipalities.

3.10.9. Risk Management

Risk Management is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality.

It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of a municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

The Municipality conducts Risk Assessments (Enterprise wide, IT and Fraud Risk Assessments) annually and develop an organisational Risk Register. The Risk Register is compiled to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives.

The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.

The Municipality has a Risk Management Committee in place. There is a framework in place incorporating the Risk Management Policy, Risk Management Committee Charter, Risk Management Implementation Plan, Risk Management Strategy and Mitigation Plan

Outlined below are key five (5) risks that the Municipality is facing as per the risk register:-

Table 3.10.9.1: Ugu District five (5) Key Risks
Source: Ugu DM Internal Audit Unit, 2014

No.	Risk Title	Residual Risk Rating (Severity)	Actions Taken/ To Be Taken	Budget	Time Frames	Risk Manager
Maximum Risks : Scores 20 – 25						
1	Excessive expenditure on overtime	25	Pre authorisation of overtime by supervisor and Manager Approval by MM of overtime work exceeding 40 hours Payment of overtime a month later in order to allow enough time for checking Implementation of standard operating procedures; and Control Centre to manage work to prevent fraudulent overtime claims by officials. Continuous monitoring	0 0 0 0	Ongoing	GM CS
2	Ineffective maintenance of water infrastructure	25	Develop and implement the asset management plan. Develop and implement the operations and maintenance plans Revision of a Water and Sanitation Services master plan Capacity Building	0 0 Funded by CoGTA	01 July 2014	GM WS Snr Manager Operations
3	Inability to collect and maximise revenue	20	Finalising the process of outsourcing meter reading Collection of long outstanding debt through the Debt recovery task team Data Cleansing	0	31 December 2013 ongoing	CFO
4	Inadequate Asset management system	25	Review and implement asset management policy Develop and implement asset management plan Review and update of the organogram of the asset management unit. Uploading of existing assets data to AX Financial System	2.4m	31 May 2014 30 June 2014 30 June 2014 31 October 2013	CFO GM: CS GM WS
5	Ineffective implementation and sustainability of LED Projects	20	Exploring an option of obtaining an investors to run the project	0	31 December 2013	GM: IED

3.10.10. Batho Pele Programme

Batho Pele, a Sesotho word meaning “people first”, is a notion which was adopted in 1994 and became a policy in 1997. The Batho Pele concept has as a main objective of addressing service delivery improvement by introducing principles which guide the transformation of service delivery to be people centric. In Ugu DM, Batho Pele was implemented in 2007. Since then a lot has been done towards implementing it such as Batho Pele principles and in SDIP, flagship projects such as Municipal Service week and Know your Service Right Campaigns. In 2008/2009 Ugu obtained a Golden Award in the Premier’s Service Excellence Award.

The legislative framework calls for setting up of service standards, defining outputs and targets, and benchmarking performance indicators against international standards. Similarly, it also calls for the introduction of monitoring and evaluation mechanism and structures to measure progress on a continuous basis.

Batho Pele Principles: Nationally there are eight principles that govern the transformation of service delivery according to Batho Pele White Paper. The province added three more Principles and adheres to eleven principles in the Citizens Charter, as listed below-:

- Consultation
- Service Standards
- Access
- Courtesy
- Openness and Transparency
- Information
- Redress
- Value for Money
- Encouraging innovation and rewarding excellence
- Leadership and strategic direction
- Service Delivery Impact

3.10.10.1. Service Delivery Impact

Under the direction and guidance of DPSA Batho Pele implementation has focused on principles and Service Delivery Improvement Plan. Batho Pele Belief which says, “We Belong, We Care, We Serve.” is a value system which clearly captures the revitalized Batho Pele culture. More still needs to be done relevant to belief sets. A Batho Pele belief set implementation Strategy will be developed and made available. The Public Service Regulations Act of 2001 states the following:

- SDIP must be approved annually. To ensure the implementation of SDIP by all Departments, Departmental Assessments are conducted annually before the end of the year. A department that performs the best in implementing SDIP wins an award for service excellence.

Municipalities are required to publish a Statement of Service Charter. This Charter was published on the 05th December 2008, and reviewed in the 2012/2013 financial year and again in the 2015/2016 financial year. Service standards must be set at a demanding but realistic, measurable level to be reached by adopting more efficient and customer- focused working practices.

Batho Pele Flagship Projects: Since 2008/2009 the following flagship projects, also known as service delivery watch, were implemented and are continuously conducted:

- Municipal Service week and Project Khaedu
- Know your Service Rights Campaign
- Batho Pele Learning Network
- Unannounced site visits or mystery customer,
- Change Management

Greater emphasis in 2014/2015-2016/2017 will be placed on change in the Ugu District Municipality. A Batho Pele Change Management and Engagement Programme have since been conducted for all the managers.

3.10.11. Operation Sukuma Sakhe

The Operation Sukuma Sakhe Programme (OSSP), formerly known as the Flagship, Social Cluster Programme (War on Poverty), was introduced to the Ugu District in 2009. In introducing the programme, the Kwa-Zulu Natal, Office of the Premier gave a mandate to all districts, to ensure successful implementation of the OSSP.

A lot of progress has been made since then even though not as speedily as anticipated due to various challenges as discussed in this section. There have also been some commendable achievements as listed below:

- The DTT is functional and meets regularly twice per month.
- The AIDS Councils, LTTs, WTTs are also functioning and improvement is evident with the war rooms sitting at 84% functionality.
- The Ezinqoleni Municipality received a premier's excellence award for best implementation of OSS.
- There is an ongoing capacity building & career pathing CCGs, YAs & WTT.
- Partnerships with business, private and NGO sector: BRHC, Nedbank, BMW.
- Integrated planning and implementation in place.
- Coordination – ongoing NISIS , HHP, M&E
- Project for fast tracking interventions, training 2 wards per LM
- Diakonia to support ward 11, Umzumbe

3.10.11.1. Structural Composition and Functionality

Structure constitutes the District Task-Team (DTT) which convenes twice a month; Local Task-Teams (LTTs) convenes at least once a month, Ward Task-Teams (WTTs) which also sits at least once a month, Political Champion (MEC), Administrative Champion (HOD) District Convenor. Community halls, Schools, Clinics, Crèches, MPCCs, Churches or any other suitable infrastructure, depending on the area are used for convening the meetings.

In terms of functionality, the Operation Sukuma Sakhe is at 84% with a few wards still lagging behind as shown in Table 3.10.11.1.1.

Table 3.10.11.1.1: Ugu District Operation Sukuma Sakhe Functionality
Source: Ugu DM OSS, 2014

Municipality	Fully Functional	Functional	Poorly Functional	Non Functional	Total
Umzumbe	04	10	04	01	19
Vulamehlo	03	05	02	00	10
Umdoni	03	05	02	00	10
Ezinqoleni	02	03	01	00	06
Umuziwabantu	02	8	00	00	10
Hibiscus Coast	10	08	10	01	29
Ugu District	**24**	**39**	**19**	**02**	84
%	**29**	**46**	**23**	**2**	**100**

The challenges that have halted speedy and effective functionality of Operation Sukuma Sakhe include:

- Poor /irregular representation of sector departments in DTT, LTT and WTT, including Ugu as a water services provider.
- Inconsistent and late submissions of LTT reports.
- Limited understanding and poor support of OSS by senior municipal and sector department officials.
- Non-attendance /representation by HOD, provincial convenor and Office of the MEC. It is noted that the previous HOD only attended one meeting over 12 months. The current HOD has also missed 3 meetings.
- Poor communication and coordination of events as arranged from provincial resulting in poor reporting and documenting of intervention.

3.10.11.2. Focus Programmes:

Focus Programmes include: Poverty Alleviation, HIV and AIDS, TB & STIs as well as all health matters, Employment Creation, Youth Development, Drug and Substance Abuse and other social ills, Orphaned and Vulnerable Children and other vulnerable groups (e.g. Senior Citizens, Women, Farm Workers and People Living with disabilities), Illiteracy and other educational programmes, Food Security & social relief, Economic Development and Provision of critical registration documents (e.g. birth certificates, IDs).

3.10.11.3. Current Interventions and Programmes

The special teams as recommended by UDAC: HAST, learner pregnancy & food security led by DOH, DOE & DAERD are reporting consistently to the DTT & UDAC and current interventions and programmes are listed below:

- Poverty alleviation & ECD package - Pilot Umzumbe & Vulamehlo : DSD/DAERD & Ilifalethu – commenced May 2013

- ➢ Mikonzo Project in 25 impoverished wards
- ➢ Isibindi project targeting the youth - to assume duties before end of December 2013 -118 youth employed, receiving stipends
- ➢ Philamtwana implemented in all wards
- ➢ Coordinating forum for Drug & Substance abuse established, plan of action for interventions in place
- ➢ Road shows focusing on prevention of crime /violence against senior citizens– hosted by CL & Safety held on 25 November to 9 December 2013, 2500 senior citizens reached
- ➢ Youth Ambassador Programme: the programme is yielding positive outcomes
- ➢ Campaigns focusing on World AIDS Day held in December 2013. Main event held in Umzumbe, ward 6 on 6/12/13.

3.10.11.4. Household Profiling

The implementing process involves: Household Profiling (HHP), reporting of findings to WTT, Referral of cases to relevant department/entity, Provision of interventions, capturing of HHPs in NISIS at the Office of the Premier (OTP), Operation Mbo (To cover the general community and fast-track service delivery).

The reports from sector departments with regards to responding to referrals provide information on the effectiveness of the OSS structure. Table 3.10.114.1 highlights a cumulative audit of interventions by each sector over the 2013 calendar year.

Table 3.10.11.4.1: Ugu District Operation Sukuma Sakhe Interventions Audit
Source: Ugu DM OSS, 2014

Department	No. Referrals received	No. of interventions provided	No. Outstanding /Open Referrals
Social Development	17198	16141	1057
S. A. Social Security Agency	807	607	199
Health	59119	3529	55590
Home Affairs	3001	1244	1757
Human Settlement	1138	373	765
Agriculture and Environment (DAERD)	2680	2170	510
Education	15480	12609	2871
Labour	994	204	788
Transport	12588	11450	1138
DSC	70	60	10

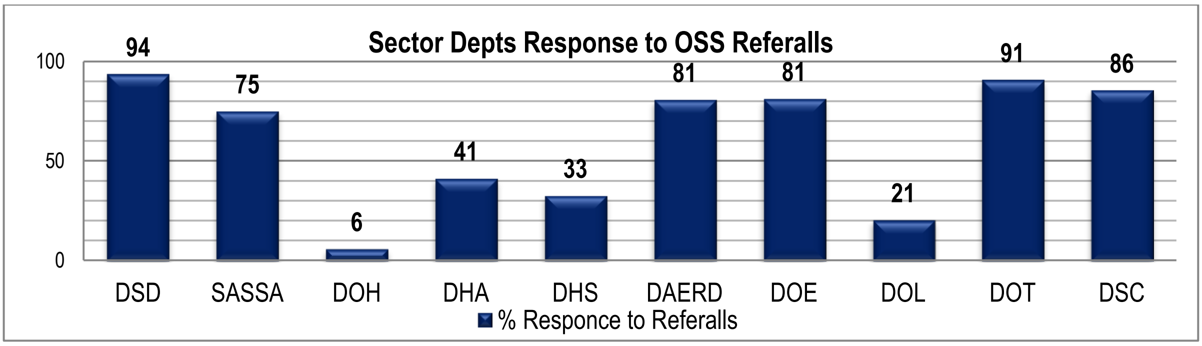

Figure 3.10.11.4.1: Sector Departments Response to OSS Referrals
Source: Ugu DM OSS, 2014

Table 3.10.11.4.1 and figure 3.10.11.4.1 show only the Departments that have provided reports in the relevant OSS structure. The referrals that have been sent to Ugu have not been responded to, to date much to the frustration of the OSS implementation. Coupled with non responses are the low response rate from Departments of Health (6%), Labour (21%), Human Settlement (33%) and Home Affairs (41%).

3.10.12. Annual Report

In the preparation process of the 2015 / 2016 Annual Report, the Municipal Manager formed an Annual Report Task Team with an appointed Co-ordinator and task team members representing each department of the Municipality. The task team met regularly throughout the financial year and ensured the finalisation and adoption of the Annual Report by Council within the required timeframes.

3.10.13. Good Governance and Public Participation Emerging Key Issues

The emerging key issues with regards to the Good Governance and Public Participation analyses are summarised below.

- There is still some bottle necks with regards to alignment with Sector Departments programmes and in ensuring that these are informed by the municipal IDP
- The majority of the population of the Ugu District uses IsiZulu as their home language and thus the need for the IDP to be simplified and translated into IsiZulu as the current language and format exists as it is only accessible to a few.
- There is limited public participation both directly and through civil society structures.
- Public participation is not properly structured and focused but more of compliance and the mechanisms in place not used to full potential.
- Public participation is costly in terms of time, personnel and financial resources required to ensure stakeholder involvement in the IDP
- The government endures bad media publicity with regards to challenges encountered in service delivery provision and this is fuelled up by the government sector's limited reporting on their success stories.
- The need for Water Services Water treatment and Waste Water Treatment plants require wide area network and voice connections to integrate into the Municipality's primary network
- The updating of the Intranet is necessary in order to ensure efficiencies.
- Annual Disaster Recovery simulations are required and monthly system restores and backups must be done of core systems and data centres in line with good ICT Governance practices.
- ICT Security Management should be digitised to avoid manual group engagements, unless through induction workshops.
- Regular website activity usage analysis to produce meaningful results in respect of the public use of the website.
- The need to improve on the availability of service delivery vehicles as required by service delivery sections of the Municipality

3.11. Summary of Development Challenges

This section provides the summary of the key development challenges that are facing the Ugu District Municipality.

3.11.1. Critical Infrastructure Gaps

- There are critical infrastructure gaps within the Ugu District that are restraining development and electricity supply surfaces as one of the priority infrastructure interventions required in accelerating service delivery.
- Water availability and supply has also been identified as a major growth limiter within Ugu. The District Municipality has identified bulk water supply requirements including dams that require significant external funding in order to support future growth within the region.
- Investing in road infrastructure has also emerged as an urgent priority in order to stimulate growth.
- The aging infrastructure and the need to repair and maintain it.

3.11.2. Education Crisis

The poor state of education within the Ugu District, from ECD to FETs has been highlighted as limiting the future economic and social potential of the region. There is a glaring rural/urban divide in terms of the quality of education within Ugu. Calls have been made for a “cradle to grave” education strategy that addresses education at all levels. Critical interventions raised have included the development of quality primary and secondary educational institutions in the main existing rural nodes; strengthening the quality of maths and science programmes (including the promotion of public-private partnerships), enhancing the quality and relevance of FET within the district, opening an agri-college and lobbying for the opening of university branches.

3.11.3. Environmental Management

Perceptions of weak environmental management and regulation contribute towards concerns of unsustainable development in the region. Whilst there are pockets of excellence in the district such as the environmental monitoring of formal mining activities, there are also areas of concern.

These include the lack of co-ordinated planning amongst local and district municipalities and amongst different types of planning, the lack of implementation of a substantial body of work that has already been completed in terms of environmentally-sustainable planning and investment parameters for the Ugu District, the addressing of environmental planning gaps such as the need for a coastal management plan and integrated waste management strategy for Ugu, sustainable service delivery models in scattered or limited access rural communities, service and infrastructure delivery that has adapted to the impact of climate change and builds the resilience of both communities and investments, the sustainable use of the natural resources (e.g. water, land, air, conservation areas, coastal strip etc) in the region, illegal use of natural resources such as illegal sand mining and the impact of climate change on economic activities within the region.

3.11.4. Inadequate Social Services and High Levels of Poverty and Dependency

The high level of exclusion of vulnerable groups such as the poor, disabled, unemployed, people with chronic illnesses, including HIV and AIDS the elderly and low access communities, contributes directly to the under-performing district economy through limiting markets, increasing dependency ratios, decreasing productivity, lowering skills levels and increasing social instability. Ensuring a safety net for the poor, vulnerable and economically peripheral communities in the region and empowering such communities through enhancing access to infrastructure, services, networks, economic opportunity and knowledge will address fundamental constraints to growth and development. At a spatial level, this requires the clustering of social and economic services within the rural nodes and corridors that have been identified for consolidation and development.

CHAPTER 4: DEVELOPMENT STRATEGIES

In the strategic session that was held in March 2012 at the Ugu Sport & Leisure Centre for the development of the 2012/13 to 2016/17 Ugu Integrated Development Plan, the vision, mission, nine (9) priorities and six (6) strategic objectives of the Ugu District Municipality were set. This five-year strategic plan was then reviewed in a strategic planning session that was held in March 2013 at the Ugu Sport & Leisure Centre. The Municipality re-aligned its activities and programmes with the vision, mission, priorities and strategic objectives of the municipality.

The second review of the five-year 2012/13 – 2016/17 Ugu IDP Review was held in February 2014 at the Margate Hotel. The session produced a Strategic Action Plan – **The Margate Accord** the blockages that have been experienced in the past two financial years of implementing the 2012/13 – 2016/17 IDP are addressed. The challenges that have been persistent in the previous two financial years were assessed and underlying causes sought together with strategies to address them.

The Margate Accord must not be seen as a strategy that replaces the strategy that was adopted in March 2012 but rather as a reinforcement strategy.

4.1 Vision and Mission

Ugu's vision and mission statement gives directives to what the municipality wants to achieve in terms of its medium and long term developmental goals.

Vision

A place where everyone benefits equally from socio-economic opportunities and services

Mission

To create an enabling environment for social and economic development resulting in the provision of quality drinking water and access to decent sanitation by ensuring community participation and coordination of the public and private players.

4.2 Strategic Development Matrix

The Ugu District Strategic Development Matrix is informed by and aligned to the National, Provincial and District priorities. It is structured in three pillars which are the, nine (9) Priorities; six (6) Strategic Objectives; and the six (6) Point Action Plan as elaborated in the sub sections below and further shown in figure 4.2.1

Fig 4.2.1: Ugu District Development Matrix
Source: Ugu DM, 2015

4.2.1. Development Priorities

The Nine (9) Development Priorities as listed in figure 4.2.1 were derived directly from the Municipal Vision and Mission and guides the municipality's development strategy and decision making on the direction of the municipality.

4.2.2. Strategic Objectives

From the Vision, Mission and Development Priorities, the Six (6) Strategic Objectives as listed in figure 4.2.1 were derived from the departments in line with the KPAs. The Strategic Objectives act as a key link / alignment between the IDP and the PMS Framework Scorecards.

4.2.3. Six (6) Point Action Plan – Margate Accord

The Six (6) Point Action Plan came about during the 2nd annual review of the current IDP and is aimed at speeding up service delivery by dealing with the persistent challenges that have been identified during the implementation of the IDP. These six points of action as listed in figure 4.2.1 are the challenges which indicate what needs to change. The attached Margate Accord then takes it further as to detail what it needs to change to and how to effect the change.

4.2.4. Alignment of the Strategic Development Matrix with National, Provincial, District Priorities

Attempts were made to ensure that the Ugu 2012/2013 to 2016/2017 IDP priorities are aligned to the National, Provincial and District family's priorities. Table 4.2.4.1 reflects the alignment of all the priorities.

Table 4.2.4.1: Ugu District Family IDP Priorities Alignment
Source: Development Planning Unit, 2015

9 Priorities	6 Strategic Objectives	Prioritised PGDS Goals (10.03.15)	Confirmed/ Emerging Priorities/
1. Infrastructure Investment (Roads, Water, Sanitation, Electricity, Housing)	To provide access to sustainable quality drinking water and sanitation services	2. Strategic Infrastructure	Identified areas of need for water and sanitation
2. Economic and Sectoral Development (Job Creation, Employment, LED Projects, Tourism, Agriculture, Rural development)	To create a conducive environment for economic growth and job opportunities	1. Job Creation	• Catalytic projects • Boosting of investor confidence
3. Financial Viability (Clean Audit, Corruption)	To develop and maintain a financially viable and sustainable organization that achieves full compliance with legislation		Revenue Collection Water Losses Clean Audit
4. Education and Skills Development (Skills Development, Education)		4. Community & Human Development	Skills Development (internal and external)
5. Institutional Integration and Coordination (Institutional Development, review of Organagram, Workforce, Principles development)	To build and strengthen the administrative and institutional capability of the municipality	3. Governance & Policy	Maximize returns on personnel costs , Outcomes based planning and Monitoring & Evaluation

9 Priorities	6 Strategic Objectives	Prioritised PGDS Goals (10.03.15)	Confirmed/ Emerging Priorities/
6. Collaborative planning		5. Spatial Equity	IGR; Joint prioritization between LMs and District, LAP- peri-urban areas
7. Reduce HIV & Aids		4. Community & Human Development	
8.Clean Environment	To develop and promote an integrated sustainable environment		
9. Peace and Stability	To create a conducive environment for participatory development	3. Governance & Policy	People centeredness- public participation

4.3 Implementation Strategies

The following implementation strategies represent the high level implementation of the Ugu District Strategy. A more detailed plan on the implementation of the Ugu District IDP is captured in the OPMS in Chapter 7 of the document and the annual operational implementation strategies are captured in the SDBIP in Chapter 7 of the document. This section should therefore be read concurrently with the said Chapters.