

2021 - 2022

UNAUDITED ANNUAL REPORT



UMFOLOZI LOCAL MUNICIPALITY

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CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Component A: Mayor's Foreword



It has been deeply humbling to have received an overwhelming amount of support and trust from the people of uMfolozi and we look forward to bringing new ideas and a renewed interest in making this uMfolozi Municipality exceptional.

There has been a great amount of trust placed upon us as Council and I know that together will work hard to ensure that transparency, good governance and the delivery of quality services are the order of the day for the people of uMfolozi. We will work hand in hand with provincial and national government departments as well as all other business and community stakeholders to ensure the fast-tracking of service delivery to our residents in all Wards.

Developing our economy, revitalizing our town, housing, infrastructure development and maintenance are some of our top priorities. As leaders under the guidance of His Excellency Prince Mangosuthu Buthelezi, we will look towards his counsel to ensure effective service delivery to all people of uMfolozi. We aim to deliver with vigor because our residents have placed great trust upon us and look up to us to deliver.

I have deep faith that we will work together as Council, Traditional Leaders, Administration, community and all other stakeholders to serve the people.

UMfolozi is a great community; we must work together to honor and respect our residents to create a future that uplifts the youth, women, people with disabilities and all within our Municipality.

Sethembe, we work for you.

His Worship, The Mayor

Cllr. XM Bhengu

Component B: Executive Summary

1.1. Municipal Manager's Overview

This 2021/2022 Annual Report of UMfolozi Local Municipality, reflects our service delivery achievements, non-achievement and challenges experienced during the financial year. The report is presented in recognition of our obligation to be an accountable and transparent organization. Such annual reporting on performance is required from all municipalities in terms of various pieces of legislation, from the Constitution of the Republic of South Africa, Section 46 of the Local Government: Municipal System Act No. 32 of 2000 and Section 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

We began the financial year 2021/2022 with one vacancy for the positions of Senior Manager Community Services. We have been able to successfully ensure continuity with the fully capable staff available within this Department, the Senior Manager Community Services was appointed fully on the 1st of June 2022.

The conclusion of the 2020/21 audit processes resulted in the Municipality receiving an unqualified audit opinion from the Auditor General, following a succession of Unqualified reports in the previous years. This opinion has made us to put on an effort in ensuring that the Municipality obtains a clean audit in the following Financial Years. We are compliant with all legislation relevant to local government; however, we are now even more aware that our work is never fully done.

In the 2021/2022 Financial Year we had the Local Government Elections which saw the change in the political leadership of the Municipality. We would like to thank the previous Leadership for their contribution in bettering the lives of people of uMfolozi, and further welcome the new/current leadership which without a doubt, we know they are going to bring a much-needed change and improvement in the lives of our people in UMfolozi.

Acting Municipal Manager

Mr SS Maphanga

1.2. Municipal functions, population and environment overview

MUNICIPAL POWERS AND FUNCTIONS

In terms of the Municipal Structures Act No. 117 of 1998 uMfolozi Local Municipality (KZ281) is classified as a Category B Municipality and falls within the King Cetshwayo District Municipality. This act made provision of the division of powers and functions between the district and local municipalities with the most day-to-day service delivery functions being delegated to local municipalities and the district wide to District Municipalities. uMfolozi Local Municipality is responsible for a number of functions some of which are not being performed due to lack of capacity.

INTRODUCTION TO BACKGROUND DATA

uMfolozi Local Municipality provides Electricity, Refuse Removal and Housing as part of the Basic Services and it also provides Roads, Stormwater & Drainage together with Local Economic Development and the approval of local building plans to local communities.

WATER ACCESSIBILITY

UMfolozi Local Municipality is not a Water Service Authority as indicated above that some functions are not being performed due to lack of capacity. Water and sanitation provision are part of the competencies of the parent municipality, King Cetshwayo District Municipality (KCDM). King Cetshwayo District Municipality, in terms of the Water Services Act, is the Water Services Authority (WSA) for its jurisdiction area.

The WSA has a duty to all consumers, or potential consumers within its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water supply and sanitation (collectively referred to as water services). As such, the King Cetshwayo District Municipality focuses on water services including sanitation.

King Cetshwayo District Municipality as WSA has a number of initiatives underway, notably:

- ❖ Water loss management strategy;
- ❖ Water meter installation; and
- ❖ Water quality improvement interventions

In order for the district to efficiently deliver on water services, a Water Services Development Plan (WSDP) was developed as an important tool that should assist towards achieving the set objectives and feed

information into the Integrated Development Plan (IDP). This plan was last reviewed on the 6th of April 2016.

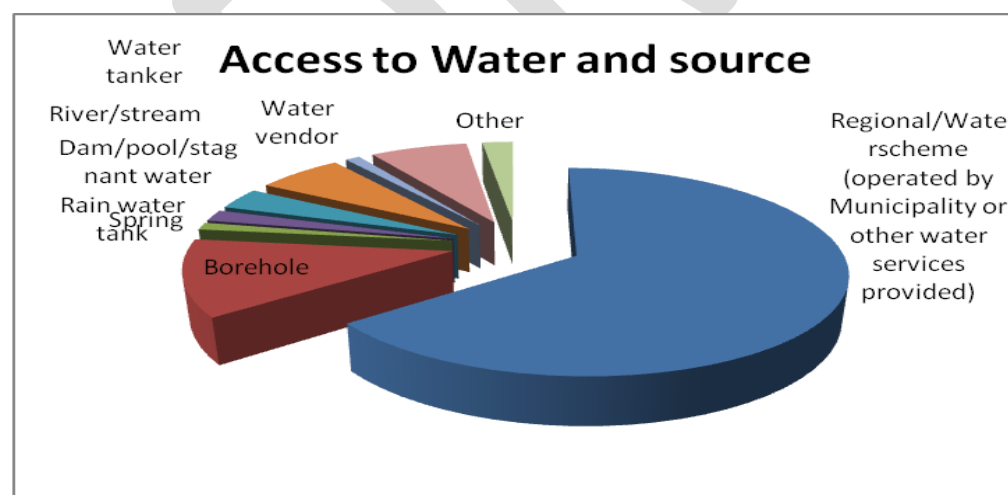
According to the 2011 census, there has been an increase in the number of households with water inside their yards and well as access to communal stands. The following table comparing the 2001 and 2011 census results is provided:

WATER SOURCES ACCESSIBILITY

Below is the presentation of water accessibility rate and the sources through which the uMfolozi citizens access water

Source	Household numbers	%
Regional/Waterscheme (operated by Municipality or other water services provided)	23 537	67.4%
Borehole	1 007	2.9%
Spring	298	0.9%
Rainwater tank	638	1.8%
Dam/pool/stagnant water	880	2.5%
River/stream	1 073	3.1%
Water vendor	2 143	6.1%
Water tanker	5 181	14.8%
Other	185	0.5%
Total	34 942	100%

Water Sources Accessibility



The roll-out of free basic services (i.e., 6kl of free water per household per month) is closely linked to the roll-out of the KCDM Water Services Development Plan. In the areas of the Municipality which are covered by water schemes and reticulation, free water is made available to households at 6kl per household per month.

According to the 2011 Census, a total number of 30 470 households were able to access piped water.

Water Supply Backlog within King Cetshwayo District

The table below presents water supply backlog within the King Cetshwayo District Municipality, which is inclusive of uMfolozi Municipality.

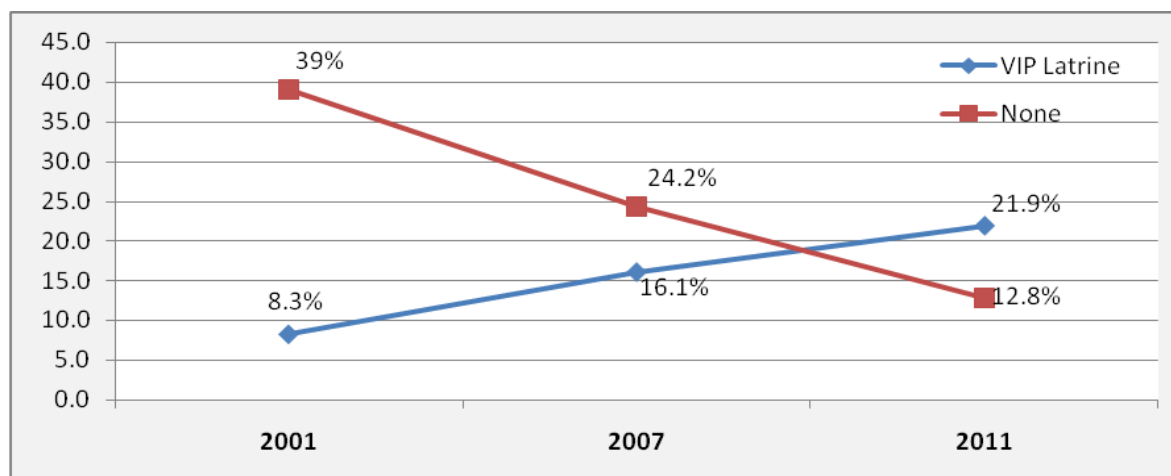
King Cetshwayo District Municipality Water Supply Backlog

	2001 / 2002 Households	2001/2002 % Backlog	2011 Households	Households with Water	Household without Water	2015/2016 % Backlog
uMfolozi (KZ281)	12664	97.%	25584	17744	7 840	34%
Ntambanana (KZ283)	9528	81%	12826	9 822	3004	De- established
uMlalazi (KZ284)	34484	82%	45062	25 034	20 028	44%
Mthonjaneni (KZ285)	6056	78%	10433	7407	3026	29%
Nkandla (KZ286)	21085	72%	22463	15499	6964	31%
Total	82817	81%	116 367	74494	41874	34.5 %

SANITATION

Pit latrines are the most common form of sanitation in uMfolozi Municipality 276 households use pit latrines with ventilation while 316 households use pit latrines without ventilation. The latter are self-built and varies in quality and safety. Low representation of households who makes use of septic tanks and water borne sewer confirms the rural character of the Municipality. 147 households do not have sanitation facilities at all.

Household Access to Sanitation



As indicated on the figure above, although the situation has improved, the rate of improvement in sanitation is very slow. The population that has access to VIP sanitation increased by 13.6%, while the population that have no access to any sanitation facility decreased by 26.2% during this period.

ELECTRICITY ACCESS

Eskom is the main supplier of electricity within the municipal area. According to Census 2016 statistics, access to electricity in the Municipality is relatively good, and the situation has improved dramatically over the last decade since it indicated that, 83.7% of the uMfolozi population does have an access to electricity for lighting purposes, while the use of electricity for cooking is estimated at 64.3% and for heating at 54.4% respectively.

The use of candles for lighting has decreased by 30.2% between 2011 and 2016, while the use of electricity for lighting increased by 31.8%. In addition, the use of electricity for cooking increased by 8.2% from 56.1% to 64.3% between 2007 and 2011. The table below indicates growth in electricity accessibility and usage.

Electricity accessibility and usage rate CS 2016 Household Access to Sanitation

Lighting	Electricity- 29 247 Other energy sources- 1 085 None- 54
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Cooking	Electricity- 25 327 Other energy sources- 4 991 None- 137
Water heating	Electricity- 25 566 Other energy sources- 4 436 None-383
Space heating	Electricity- 20 088 Other energy sources- 2 881 None- 7 452

High generation of waste and litter around taxi rank and informal trading area, Undeveloped lots are used as dumping grounds as well as illegal dumping of waste and garden refuse on vacant lots, stream courses and other inappropriate places in the CBD and suburbs is a real challenge.

The municipality is predominantly a rural municipality, with many wastes' disposal challenges, particularly in the Mzingazi area and surroundings. The municipality has a transfer station which is well managed, the waste is then transferred to the King Cetshwayo Regional Land fill site managed by the district, even though there is a transfer station & waste collection trucks, waste is still a challenge that needs to be addressed. The municipality has previously partaken in clean up campaigns to address this, furthermore the municipality plans to have education and awareness campaigns to further address the issue, and this will be done in partnership with other stakeholders.

High generation of waste and litter around taxi ranks and informal trading areas is unacceptable. Illegal dumping of waste and garden refuse on vacant lots, stream courses and other inappropriate places in the CBD and suburbs is a real problem. A thorough investigation of the condition, suitability and service provision of the landfill site and sewerage treatment works should be undertaken.

LOCAL ECONOMIC DEVELOPMENT

The key competencies of the Local Economic Development key performance area include the following:

- Community Skills development;
- Business development;
- Job creation;
- Tourism; Heritage and Culture; and agriculture development; and
- SMME's and Cooperatives development.

SWOT Analysis

STRENGTHS	OPPORTUNITIES
Location of the Municipality at a proximity to the Richards Bay Port	uMfolozi Municipal coastline is reach for tourism purposes
N2 (Corridor Development), which easily links uMfolozi to Richards Bay and Durban	Relatively young population which could be skilled
Existing Public Private Partnership	Land identification for commercial and investment opportunities
Availability of the Thusong Service Center	Sustained timber manufacturing
Huge land portion is occupied by timber plantations	Extended local business opportunities
Existence of LED Structures	Sustained education
Early Childhood Development Centers (ECD's) and schools are well distributed throughout the municipal area	GDP Growth
Valued Cultural Tourism	Expanded industrial investments
WEAKNESSES	THREATS
Lack of sufficient institutional capacity to implement LED	Strained and gradual Economic Development
Settlements are scattered across the Municipality, making it highly challenging to deliver basic services	Unstable relations between the municipality and its surrounding citizens
Health facilities and community halls are not sufficiently distributed	Community conflict
Poor water quality in the Western side of the Municipality	Damaged land quality and compromised agricultural practices
The coastline is highly inaccessible from the N2	Decreased statistics due to the community movements towards easily accessible spots

LED Strategy

uMfolozi Municipality has an existing LED Strategy that was adopted by Council during the 2016/17 financial year. The strategy is currently under review with the intention of ensuring that it considers the changing economic landscape of the municipality, influenced by external factors such as the fourth industrial revolution, possibility of extension of the RBIDZ status to uMfolozi.

The revised strategy will further consider the economic renewal programme implemented by the Honourable President Ramaphosa, in particular, the resolutions of Presidential Investment Summit and Presidential Job Summit. The revision of the LED Strategy will also consider the alignment of the newly

launched District Development Model that seeks to stimulate economic growth and benefit local entrepreneurs.

The role of LED Strategy towards addressing the identified threats and constraints

uMfolozi Municipality advocates that the final LED Plan shall be pragmatic, disruptive and adaptive to the current economic policy changes. It will focus on ensuring that it addresses the plight of the unemployed youth and unlock opportunities for the new players. It is expected that the reviewed strategy be adopted by Council during 2020/2021 financial year.

Development of the Business Investment and Retention Policy

The LED business unit is still engaging with Trade and Investment KZN regarding to this document. The entity is mandated to facilitate Investment promotion in the province, the municipality mostly rely on their programme called Business Retention and Expansion (BRE) that drives investment programmes in municipal areas.

LED Strategy Background and its alignment with the National Framework on Local Economic Development (NFLED)

As means to accelerate Local Economic Development through optimizing available resources and enhancing linkages, the uMfolozi Local Municipality developed the institution's Local Economic Development Strategy. During this process the municipality appointed Cwaninga Development Consulting to perform this specialized task. The LED strategy was last reviewed in 2015.

The Municipality seeks to ensure that economic opportunities are sufficiently harnessed and translated into improvement of the livelihoods of local populations, those within the municipal borders. The Municipality also seeks to align its economic objectives with those of the King Cetshwayo District, the province and the National Growth Path. This LED strategy accounts for these kinds of alignments.

Budget for Research and growth in Economic Development

The budget allocation of R200 000, 00 for the 2021/22 financial year has been proposed for a research study on LED feasibility within the jurisdiction of uMfolozi.

LED Projects

The major LED initiatives/project include the following:

- Toilet paper project in ward 05;
- Mushroom project in ward 12;
- Bakery project in ward 17;
- Chicken project in ward 07;
- Amakha essential Oils in ward 17; and
- Boats Manufacturing project

The development in most of the area, particularly the traditional council areas, is typical traditional i.e., a scattered settlement pattern with an absence of a strong nodal hierarchy. The location of these settlements in space is highly influenced by the livelihood strategies such as access to arable land, reliable sources of water, grazing land, etc. Factors such as access to public facilities (schools, clinics, etc.), public transport routes and bulk services are fast emerging as critical factors in the growth and expansion of rural settlements.

Key Challenges that relate to the implementation of the Housing Programme:

- The community members might not have followed any predetermined spatial planning requirement, or would have previously benefitted from 'formal' spatial planning;
- They are scattered in an unsystematic manner;
- Land distribution is informally practiced where members of the community informally agree that a piece of land is earmarked for a particular use or belongs to someone;
- Movement crisscrosses in a manner that it becomes to facilitate the program.

The nature of rural settlements poses a major challenge for the Municipality and other service delivery agencies. Communities have articulated need for services such as access roads, water and electricity. While the government has made significant progress in this regard, the process has proved to be frustratingly expensive. The spatial structure or lack thereof causes inefficiency and accounts for relatively high service delivery costs.

Some households and/or public facilities are located on land that is not suitable for settlement purposes. These include unfavourable geotechnical conditions, floodplains and wetlands. None of these form part of the factors taken into account when allocating land. The key challenge is to direct the location of these settlements and manage their expansion.

The Municipality should work together with the respective traditional councils in this regard. Mbonambi Town is the only urban centre. The town is properly laid out, and there is provision for future expansion towards the N2. In fact, there is a major development project that is proposed to take place along the N2. It includes commercial, mixed residential uses and some industrial sites. Land allocation is undertaken in

terms of the traditional land allocation system which is not based on any verifiable standards. As a result, site sizes for different land uses vary significantly.

Housing Demand

According to the 2011 census data, **16 689** households within the jurisdiction of uMfolozi need formal houses. Informal housing units and informal settlements counted for **5851** and **394** households each respectively, **1204** households reside in informal houses. The census data does not, however, provide information on the type and quality of houses and demographics per family.

It is certain that a large number of people in the Municipality reside in houses that are substandard. With a total number of households in the Municipality being **25 582**, it shows that households who are assumed to be in need of housing based on the dwelling type is **5 851** households for rural housing, **1204** is linked to low-income housing program, and **1444** are tenants. In total, uMfolozi has **25 584** households of which **19 650** qualify for low-cost housing (76%). According to Stats SA (2011) there are **5 554** who are in need of adequate housing. This accounts for approximately **21%** of the total number of households.

The communities from electoral wards 8, 10, 11, 13, 14 and 15 have, through the ward councillors, indicated need for housing. Some wards mentioned do not have any projects in progress and some have projects that have been completed, but because of the increasing housing demand the Municipality has had to propose phase 2 of certain housing projects. From the table above there are 8 new projects that have been proposed.

Majority of these housing projects are expected to yield 1000 houses each and they are to be of a rural housing type. There is one mixed residential housing project that has been proposed. It is expected to yield 1504 houses, which will be RDP, rental and gap housing. The mixed residential housing projects will include low-cost housing for households that are earning below R3 183 per month, Rental housing for households earning >R3183 <R15 000 and gap housing. The Municipality will apply to the Department of Human Settlements for funding to undertake comprehensive planning for the area.

WASTE REMOVAL

The Municipality has one transfer station that is located within Kwa Mbonambi town. In line with the recycling process, the municipal waste transfer station serves as a buy back center. It is used for processing of garden waste and refuse. The garden waste is transported to the district land fill site that is located at

eMpangeni. In terms of the municipal assets that are utilized for waste management purposes, the institution has a TLB, compactor truck, skip loader truck and a flat-bed truck servicing the households.

It is concerning that the percentage of households who has their own refuse dumps have increased from 71% to 76.1%. However, it is encouraging to note there has been a decrease within a rubbish retention from 15.8% to 8.2%, meaning that uMfobozi citizens have realized that the disposal of rubbish is of importance. This might also explain the increase in households who have their own refuse dumps. Around 1837 households are serviced by the Municipality on a weekly basis for waste removal. The Municipality provides central point collection at ward 17 and ward 02 (Slovo Township) at least once a month.

Method of waste collection

Waste Type	Collection Method
Domestic	Kerb Site Collection and Central point collection
Business	Kerb Site Collection
Industrial	Kerb Site Collection
Garden Waste	Kerb Site Collection
Building Waste	Kerb Site Collection
Street Sweepings	Kerb Site Collection
Medical Waste	-
Hazardous Waste	-

Waste Quantities and Characteristics

Waste Types Produced	Volumes (in m ³)	Waste Storage
Domestic	 9m³ per day	No
Business		No
Industrial		No
Garden Waste	 16m³ per week	No
Building Waste		No
Street Sweepings		No
Medical	Not produced in the municipality	-
Hazardous Waste	Not produced in the municipality	-

Recycling Facilities

Recycling Facility	Principal Material Recycled	Location of Recycling Facility
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Mbonambi Transfer Station	Paper; Glass; Metal; Plastic	At Mbonambi Transfer Station
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Waste Treatment Facilities and Transfer Stations

Name of Transfer Station	Size of Station (capacity in m ³)	Type of Transfer Station	Waste Measured per Month at the Station (in Kg or m ³)	Weighing Systems used?
uMfolozi	2x 30m ³ Bins 4x 12m ² Skips for waste recycling purposes	General Solid Waste	Not yet Measured	To measure in m ³

UMfolozi Local Municipality, Community Services Department has identified the program to be a successful and a powerful Back to Basics initiative to engage schools in Environmental Management. The Programme will be named “Sustaining My Schools’ Cleanliness” at uMfolozi Local Municipality. The mission is

“To better sustain the Schools’ Environment”.

The primary objective of the program is to encourage school children within uMfolozi to clean up and take pride of their surroundings, ensuring that their environment remains unpolluted and to instill a sense of ownership and responsibility for their community and facilities

The program is aimed at encouraging School Beautification and Cleanliness; Promoting Hygiene in schools; keeping schools clean and environmental friend; Encouraging a shared environment; and enforcing recycling in schools

In terms of location, the program is spread out in all three Tribal Councils:

- ❖ Sokhulu Tribal in wards 1, and 4;
- ❖ Mhlana Tribal in wards 2,7, 8, 9,10,11,12,13, and 15;
- ❖ Mbonambi Tribal in wards 3,5, 6,14 and 16;
- ❖ Somopho Tribal ward 17;
- ❖ Mambuka Tribal ward 17; and

All schools within uMfolozi Jurisdiction will be given an opportunity to apply and enter the competition.

The Programme will be implemented in a form of a competition. The competition will run for six months. All participating schools will be invited to a workshop which will clearly outline the program and what is

expected from the schools. Each school will be randomly accessed three times within the six months of the competition.

The program expectations include the following:

- ❖ The program will access the following;
- ❖ School cleanliness;
- ❖ School vegetation and gardening;
- ❖ School hygiene- kitchen and ablution facilities; and
- ❖ School recycling projects.

The program potential stakeholders include:

- ❖ uMfolozi Local Municipality;
- ❖ King Cetshwayo District Municipality
- ❖ Richards Bay Minerals
- ❖ Mondi- Zimele
- ❖ Mpact
- ❖ Department of Economic Development, Tourism and Environmental Affairs
- ❖ Ezemvelo Wild life

ROADS

The Municipality is responsible for the maintenance of access roads within the wards. The Municipality might not have a maintenance plan for the roads however has a grader schedule which is adopted and progress of which is tabled to Council. The Municipality has maintained 620.5km of access roads within the uMfolozi Municipality. The Municipality currently maintains an average of 400km of access roads per annum.

STORM WATER AND DRAINAGE

Storm water management must be undertaken for existing developments and all new developments must have storm water management plans approved by the local municipalities. It is the responsibility of the District Municipality to provide comments on the storm water management plans and to ensure that the local municipalities request plans when necessary.

The storm water system in some areas is not adequate for the current level of development and that could result to negative impacts.

Land Tenure & Ownership depicts the land ownership in uMfolozi Municipality. The hatched orange areas indicate traditional authority area which makes up more than half of the total area and the white area is under the ownership of the Municipality. Traditional authority areas are where most of the settlements are located (see settlement pattern map) while on the hand the area under municipality is where most of the forest land is which is mainly managed by private organizations such as Mondi and SAPPI South Africa.

KwaMbonambi	Proclaimed Urban Settlement within the centre of the Municipality
Sobukwe	Informal Settlement
Lake Teza	Formal conservation area
Ingonyama Trust Land	East and West of the privately owned land
Coastal areas	Proclaimed mine lease

uMfolozi Local Municipality also functions as an important service centre for a substantial rural hinterland which lies to the west of KwaMthethwa Tribal Authority. There are no other service centres in the tribal areas, and therefore the urban center of Mbonambi serves as an important sub-regional service center.

SPATIAL PLANNING

The uMfolozi Local Municipality is located on the Northern coastal plain of KwaZulu Natal. Mtubatuba and Hlabisa LM are located towards the Northern boundary of the municipality while Mthonjaneni LM borders the western boundary and lastly uMhlathuze LM towards the southern boundary, which is home to one of the largest harbors, Richards Bay Harbor. The N2 traverses the municipality on a north-south direction which leads to iLembe District Municipality and eThekweni Metropolitan Municipality (which is the second largest manufacturing hub after Johannesburg). The landscape of uMfolozi Municipality is predominantly rural, consisting of impoverished population which depends on traditional forms of living such as substance farming to make ends meet. This strategic location is also acknowledged in the Provincial Spatial Development Framework which has identified uMfolozi Municipality as the growth node in the north coast corridor.

Spatial Development Framework (SDF)

The municipal Spatial Development Framework (SDF) was finalized and tabled to Council on the 26th of June 2019. The level of its compliance with the Spatial Planning and Land Use Management Act (SPLUMA) has been strongly enhanced through addressing the comments from the MEC: Department of Cooperative Governance and Traditional Affairs (DCoGTA).

The municipality is in the process of drafting its Single Land-Use Scheme which is regarded as an implementation tool of the SDF. Through these two plans, the municipality will be in a better position to legally advise, spatially plan, and manage the spatial planning and development issues within the uMfolozi jurisdiction.

Settlement Pattern

This indicates the settlement patterns in uMfolozi Municipality. An overlay of the previous Land Tenure and settlement map would show that the settlements are mostly located on traditional authority land; reason being most of the land within wards 2,3,4 is forest land which has to be preserved for economic development within the municipality and province as a whole.

uMfolozi settlements dispersed as clusters throughout the municipal wards namely 17, 9, 10, 13, 15, 11, 8, 7, 6, 14, 16, 5 and 1. When settlements are scattered as opposed to being orderly situated it raises concerns with regards to providing services because it's more expensive. uMfolozi municipality has limited funds, therefore, it's essential that people are located in places that will make it more feasible to provide basic services.

Existing Nodes and Corridors

Type of Node	Nodal Area
Primary	KwaMbonambi
Secondary Node	Dondotha Edwaleni Mambuka
Economic Development Node	Hlaweni Mabhuyeni Nzalabantu
Rural Service Node	Dumisane Fuyeni Makhwezini Novundla Ntuthunga 1 Ntuthunga 2

Resultant from field surveys across the uMfolozi Municipal Area and specifically the identification of all non-agricultural or residential / homestead land uses, nodes have been identified where land uses already dictated the existence or growth of such nodes. Nodes are classified in hierarchical order to signify their level of importance, role and function within a particular region. The uMfolozi SDF attempts to find synergies between all proposed nodes, in order to maximize spatial opportunities in a holistic manner for the betterment of all people.

Primary Development Node/Large Convenient Centre (KwaMbonambi)

KwaMbonambi town is the only town which comprise of urban characteristics within uMfolozi Municipality. KwaMbonambi although a primary node has high poverty and unemployment rates, as well as underdevelopment with regards to infrastructure, however people are still attempting to migrate as close as possible to the town. Therefore, it is imperative for the Municipality to be proactive in proposing and implementing interventions to redress the aforementioned issues in order for the town to carry out its functions as a primary node.

KwaMbonambi requires strategies of attracting public and private investment to improve infrastructure development: To prepare facilitate and document meetings; and

Facilities such as a Petroport can attract tourists along the N2 as well as reducing the inconvenience of travelling to neighbouring towns for such facilities.

Secondary Development Node/Service Centre (Dondotha)

Dondotha is a rural town located in ward 9 North West of KwaMbonambi town. The area enjoys linkages from the P405 route coming from the N2, leading to Mthonjaneni LM and the P494 route which provides access to Empangeni on the South Western portion of the municipality.

The area shows great potential in strengthening the corridor which connects to the N2 and Mthonjaneni LM. Currently the areas consist of existing infrastructure, however it's dilapidated and requires extensive renovations to continue operations, especially the petrol filling station. The municipality should prioritise the provision of social and economic amenities, to mitigate the migration of people along the uMhlathuze

border as well as for the provision of job opportunities. This will ensure the growth of the municipalities' secondary node through attracting private investment and allowing people to spend the money they make within the municipality.

Dondotha is central to most settlements within Mhlana T.A land; hence the revitalisation of the node is highly essential. Dondotha's location is more accessible to the mass of uMfolozi Municipality as opposed to KwaMbonambi, which entails that once proper infrastructure and social services have been proposed and implemented, this node can be proclaimed as a primary node.

Secondary Development Node/Service Centre (Mabhuyeni)

Mabhuyeni is located along the proposed P425 tertiary corridor which connects to Zonza on the northern boundary of the Municipality. Its close proximity to major surrounding towns such as Empangeni and Richards Bay, as well as KwaMbonambi has promoted the formation of uncontrolled densification, which can have major developmental constraints if not mitigated soon. The area currently allows access to educational and social facilities, while economic opportunities are characterized by small informal shops in households.

Mabhuyeni is located in close proximity to a train station which passes through Dondotha and Mthonjaneni towards the west, as well as Nseleni and Richards Bay towards the east. This provides an opportunity to increase public transportation in the area, to accommodate a variety of typologies through a multimodal transportation Hub. Furthermore, the intensification of infrastructural projects will allow people to spend within the municipality, find jobs in close proximity to their homes and promote densification in a formal manner. An expansion area has been demarcated for the transportation hub, which will then allow for a cybernated growth of residential and developments around it.

Tertiary Development Nodes (Nzalabantu)

The Nzalabantu-Mzingazi area is located along the coast in Mbonambi traditional authority land. The landscape and natural topography are under immense pressure due to increasing densities. The strategic location along the coast, in close proximity to Richards Bay minerals as well as uMhlathuze LM, has attracted high population migration for better job opportunities. The rural-urban sprawl development has resulted in informal and formal housing developments on unsuitable land which is either prone to flooding or soil erosion.

Tertiary Development Node-Agri Village (Zonza)

Zonza is located in between KwaMbonambi Town and Dondotha along the P232 West route. Recently the population threshold of the area has increased radically, with people coming in from all directions seeking for better job opportunities. Furthermore, the location of KwaMbonambi Town proves to be desirable due to the N2, which provides easy access to Richards Bay and Empangeni.

Rural Settlement Clusters (Nthuthunga, Novunula, Cinci, Magwetshana, Makhwezini, and Bhiliya)

The aforementioned rural settlement clusters are located within the North-Western portions of the Municipality within Mhlana, Mambuka and Somopho Traditional Authority land. During the public participation meetings, issues of inefficient public transportations systems, lack of economic and social facilities, and backlog in water and sanitation infrastructure as well as the inefficient provision of dams for watering communal gardens and providing water for their livestock were highlighted by the communities.

Primary Corridor (National Road 2-N2)

The most prominent and strategic route within uMfolozi Municipality is the N2. It traverses the Municipality on a North-South direction, heading towards KwaDukuza Local Municipality and Durban in the South, as well as Mtubatuba and Zululand District Municipality towards the North. The National Road is a major tourism route for tourists traveling to areas such as Lake St. Lucia, Richards Bay harbour, Durban and Margate towards the South. The Municipality should attempt to exploit the tourism opportunities it has, through providing the most appropriate infrastructure that can attract tourists to uMfolozi. The above mentioned Petro Port is a feasible starting point, if placed just off the N2, to provide brochures about uMfolozi and market the area as a suitable tourist destination. That being said, a tourism plan is also essential to unravel tourism opportunities within uMfolozi.

Secondary Corridor (P232West, P232West, P499, D312 /P700)

One secondary Mixed-Use Corridor, an Agri-Secondary Corridor and two secondary Movement Corridors have been identified in uMfolozi Municipality. These routes have been defined according to the core roles they play in the municipal space. They act as connectors between a number of hinterland settlements whilst a Movement Corridor on the other hand, provides for high accessibility and constant flow of movement between nodes and areas situated some distance from each other.

Agri-Secondary Corridor (P232 West)

The P232 West route links KwaMbonambi town with the proposed tertiary node (Zonza) and Dondotha. The SDF has proposed an Agri-Corridor along this route (from KwaMbonambi to Zonza), to preserve the Irreplaceable Agricultural land from Rural Sprawl development. The Agri-Corridor will complement the Irreplaceable Agricultural land along the corridor; prevent any form of ad hoc development, while providing job opportunities for small scale farmers attempting to expand their business. This route will also play a support role to the proposed Agri-Hub in Zonza, which will consist of Agri-villages that promote sustainable rural human settlements as stipulated in the Draft Land reform Green Paper and the Draft Land Tenure Security Bill (LTSB).

Secondary Movement Corridors (P499, D312/P700)

The P499 connects from the P232 acting as a link between the Primary Node (KwaMbonambi Town), Proposed Agri-Hub (Zonza) and the Secondary Node (Dondotha). This movement corridor serves as the public transport route by which these inland settlements are able to access services in towns such as KwaMbonambi and Richards Bay. In terms of maintaining this important relationship between these settlement areas and activity areas, these routes would require upgrading to road surfaces to facilitate better public transport movement whilst promoting a fair level of spatial equity.

The D312 links uMfolozi Municipality and the P700 corridor which links Mthonjaneni and uMhlathuze. As per the proposed SDF, this route passes two proposed Rural settlement Clusters (Makhwezeni & Bhiliya). Eco-Tourism opportunities are apparent along this corridor, due to its close proximity to Hluhluwe-uMfolozi Game Reserve. These Rural Settlement Clusters should be integrated with the proposed secondary movement corridor, through intensifying eco-tourism opportunities which will provide job opportunities and improve socio-economic well-being.

Secondary Mixed-Use Corridor (P232 East)

The P232 intercepts the N2 along KwaMbonambi town. It extends towards Sokhulu T. A. on the Eastern portion of the municipality towards the coast, as well as on the border of Zonza and KwaMbonambi Town on the Western portion of the municipality.

DEMOGRAPHICS

UMfolozi Municipality is one of the poor municipalities in the province, with more than 90 % of the population being dependent on subsistence farming for survival. As such, in order to understand the challenges that affect effect richness of the municipal environment; effective basic services delivery and facilitation process; and the resources' lifespan, it remains critical to acknowledge that these are highly dependent on the population size and settlement pattern. Global economic recession and high food prices have caused led to a bigger portion of the uMfolozi growing population to suffer from diverse chronic diseases and social ills resulting from the growing level of unaffordability.

The population statistics that are presented on this section allows both government and non-government institutions to strategize on how to efficiently implement and facilitate service delivery within the jurisdiction of uMfolozi in an integrated manner.

Distribution of Population by Household Density

Ward No	Number of Households (HH)	Extent (Ha)	Density (HH/Ha)
1	1015	8486.01	0.12
2	1434	17159.48	0.08
3	1321	9357.24	0.14
4	2146	32136.97	0.07
5	836	1785.83	0.47
6	340	255.61	1.33
7	1395	4352.21	0.32
8	1526	2723.93	0.56
9	2231	6975.49	0.32
10	1469	6939.6	0.21
11	1082	3665.37	0.30
12	1484	8215.01	0.18
13	1563	9441.38	0.17
14	342	659.76	0.52
15	1698	8160.53	0.21
16	338	714.45	0.47
17	1870	8988.05	0.21

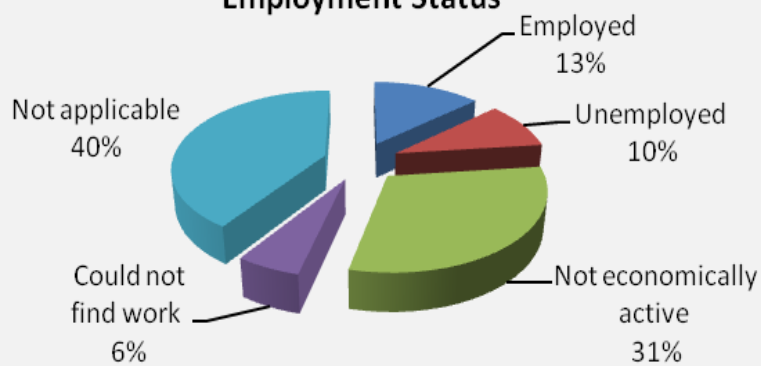
Population Distribution by Gender

Population and Gender Distribution



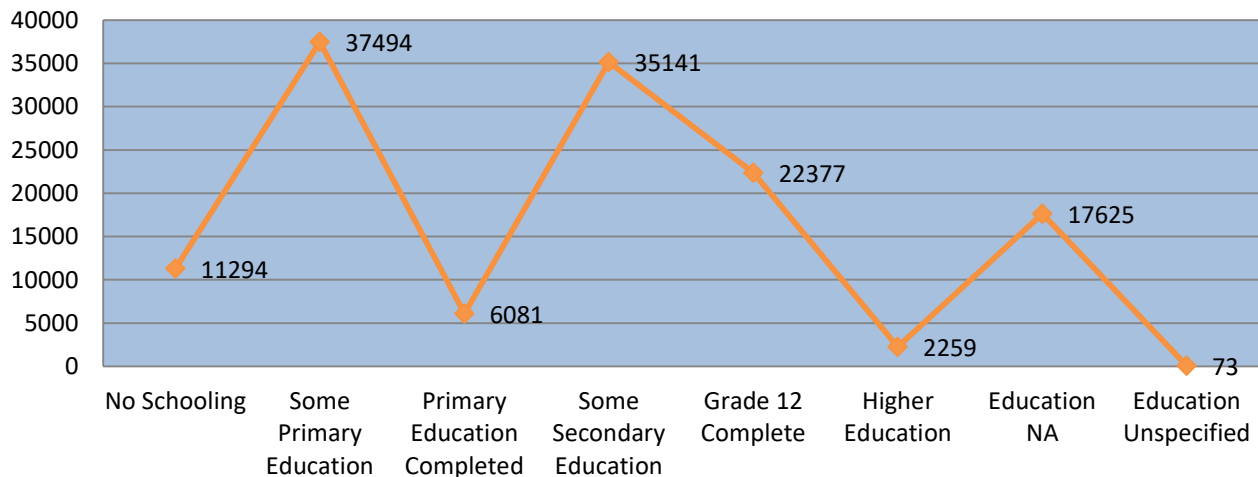
Employment Profile

Employment Status

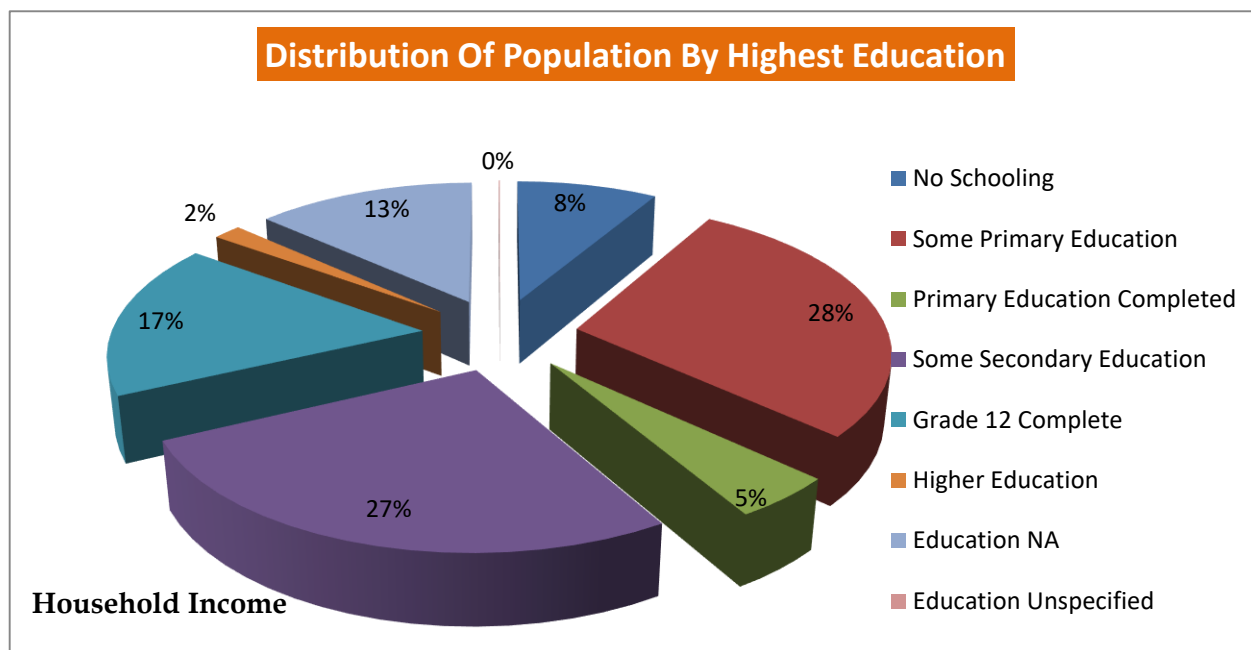


Education Profile

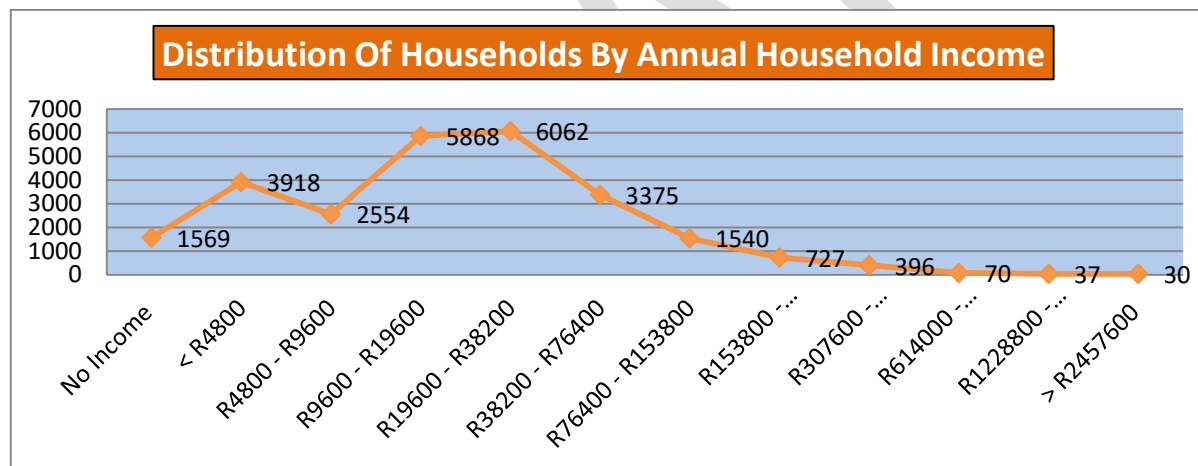
Distribution Of Population By Highest Education

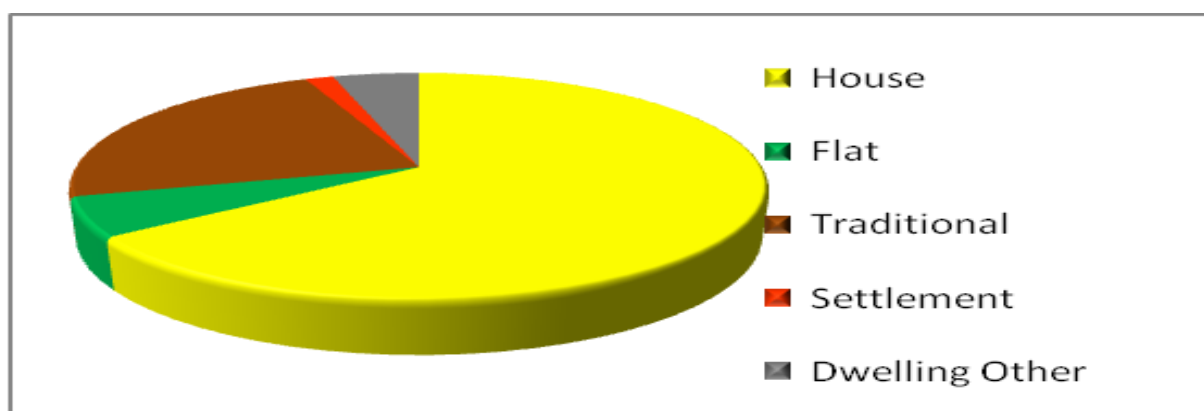


Percentage of population by Highest Education



Households Profile





Distribution of households by type of main dwelling and municipality, CS 2016

DWELLING TYPE	
Formal dwelling	20 197
Traditional dwelling	8 395
Informal dwelling	1 823
Other	56
Total	30 471

1.3. Service delivery overview

The Municipality for each quarter aligns the performance of the municipality against the set targets on the Municipal SDBIP. This performance seeks to attain the following:

- ❖ Indicating progress against objectives
- ❖ prompting an external focus by public institutions on transparency, accountability, and progress on service delivery;
- ❖ ensuring the best results for citizens
- ❖ identifying gaps between policy formulation and policy implementation; enhancing strategic planning processes; and
- ❖ reflecting the level of institutional capacity to actually deliver services to citizens

Technical Services has achieved 100 % MIG expenditure target for the infrastructure service delivery projects allocated by council for 2021/2022. The following projects were constructed and completed during the 2021/2022 financial year:

Ntongonya Access Road (2.8km)
 Mpumelweni Access Road (2.5km)
 Ntinkulu Access Road (1.4km)
 Nhlanzini Access Road (1.2 km)
 Ekuvukeni Access Road (1.25km)
 Kwalayini Access Road (3km)

The Construction of the following roads that were planned for 2022/2023 commenced during the 2021/2022 financial year due to the additional 15 million that was received from MIG:

- Bumbaneni Access Road (2.9km)
- Zilahle Access Road (3km)
- KwaMdladla Access Road (2.4km)

1.4. Financial health overview

The audited Annual Financial Statements of uMfolozi Local Municipality has been included as Annexure A of the Annual Report. The financial statements clearly outline the financial position of the municipality.

1. FINANCIAL POSITION			
A. Asset Management/Utilisation			
1	Capital Expenditure to Total Expenditure	10% - 20%	20 %
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	3 %
1	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	3 %
A. Debtors Management			
1	Collection Rate	95%	97 %
1	Bad Debts Written-off as % of Provision for Bad Debt	100%	0 %
1	Net Debtors Days	16 Days	227 Days
A. Liability Management			
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	0 %
1	Debt (Total Borrowings) / Revenue	45%	-4 %
A. Liquidity Management			
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	1,1 Months
1	Current Ratio	1.5 - 2.1	1,8
2. FINANCIAL PERFORMANCE			
A. Distribution Losses			
1	Electricity Distribution Losses (Percentage)	7% - 10%	N/A

1	Water Distribution Losses (Percentage)	15% - 30%	N/A
A. Efficiency			
1	Net Operating Surplus Margin	= or > 0%	-18 %
1	Net Surplus /Deficit Electricity	0% -15%	N/A
1	Net Surplus /Deficit Water	= or > 0%	N/A
1	Net Surplus /Deficit Refuse	= or > 0%	100 %
1	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	N/A
A. Expenditure Management			
1	Creditors Payment Period (Trade Creditors)	30 Days	23 Days
1	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	35 %
1	Remuneration as % of Total Operating Expenditure	25% - 40%	39 %
1	Contracted Services % of Total Operating Expenditure	2% - 5%	27 %
A. Grant Dependency			
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	10 %
1	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	10 %
1	Own Source Revenue to Total Operating Revenue (Including Agency Revenue)	None	44 %
A. Revenue Management			
1	Growth in Number of Active Consumer Accounts	None	0 %
1	Revenue Growth (%)	= CPI	-7 %
1	Revenue Growth (%) - Excluding capital grants	= CPI	-8 %
3. BUDGET IMPLEMENTATION			
A. Budget Implementation Category			
1	Capital Expenditure Budget Implementation Indicator	95% - 100%	99 %
1	Operating Expenditure Budget Implementation Indicator	95% - 100%	108 %
1	Operating Revenue Budget Implementation Indicator	95% - 100%	98 %
1	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	91 %
Operating Ratios			
Detail		%	
Employee Cost		39%	
Repairs and Maintenance		3%	
Finance Charges & Impairment		3%	

1.5. Organisational development overview

Organizational development is a planned, comprehensive and systematic process aimed at improving the overall effectiveness of an organization. It involves intervening in its processes, structure and culture. A strong emphasis is on organizational behaviour, human resource development and organizational change.

The organizational structure of the Municipality is aligned to the powers, functions and the municipal Integrated Development Plan (IDP) to ensure direct impact on service delivery. The alignment of the organizational structure with the municipal objectives was informed by a detailed organizational design with an intention of improving the effectiveness and the efficiency of the municipal business processes.

Organizational design also includes understanding the imperative for change and the environment, understanding the business processes, workflows, roles and responsibilities, volumes of work, activity analysis and resources, designing and testing new models, planning and managing the transition from the old structure to the new structure, and implementing and monitoring the change.

1.6. Statutory Annual Report process

The most important documents tabled for any municipality or entity are its Integrated Development Plan (IDP), budget and annual report. The IDP and budget are forward-looking, they set out what the municipality intends to do and the funds it will raise and spend. The annual report, on the other hand, is backward-looking as it reports on actual performance at the end of the financial year, reporting on how the IDP and budget were implemented.

The annual report requires the collection and consolidation of a range of financial and non-financial information about the municipality. It provides an authorities record of the activities and performance of the municipality for each financial year. Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, service delivery and budget implementation plan (SDBIP), in-year reports and annual report should have similar and consistent structures to facilitate understanding and to enable the linkage between plans and actual performance.

The Annual Report of a municipality and every municipal entity must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of Councils, this must be interpreted as an outer deadline; hence municipalities must submit the Annual Reports as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later. The activities, implications, process/role-player and timeframes are described below for ease of reference and implementation.

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
Consideration of next financial year's Budget and IDP process plan. In year reporting formats should ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the beginning of the Budget / IDP implementation period.	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July
Implementation and monitoring of approved Budget and IDP through the approved SDBIP commences (In-year financial reporting and quarterly performance reports).	MSA S41(1)(e)	MM Assisted by other s56 managers & the CFO	July
Finalise 4th quarter report of previous financial year	MFMA S52(d)	MM Assisted by other s56 managers & the CFO	July
Submit draft previous financial year Annual Report and evidence to Internal and the Auditor General including annual financial statements and financial and non-financial information.	Submission of annual financial statements as per section 126(1) of the MFMA. Additional step, a draft Annual Report is prepared. Annual Performance report needs to be included as per section 46 of the MSA.	MM & CFO	July
Submit Annual Report including annual financial statements and Annual Performance Report to the Combined Audit/Performance Committee.	Joint Committee assessing both financial and non-financial performance advances accountability and expedites corrective measures	MM & CFO	July/August
Combined Audit/Performance committee considers unaudited Annual Report of municipality and entities (where relevant).		Audit and Performance Audit Committee	August
Mayor tables the unaudited Annual Report in Council.	The Annual Report submitted complies with the requirements of Section 121(3) (a-k). Information on pre-determined objectives to be included. Note that it is unaudited and will not include any of the Auditor-Generals reports as the auditing thereof will still be in progress. (Municipalities with Municipal entities to submit a consolidated Unaudited Annual Report by September)	Mayor	August
Municipality submits Annual Report including final annual financial statements and annual performance report to Auditor-General for auditing purposes – due 31 August. Council to submit unaudited tabled annual report to MPAC for vetting and verification of councils' directive on service delivery & the committee to evaluate senior managers' performance against agreement entered into.		CFO	August
Commencement of IDP analysis of institutional, services and infrastructure provision, backlogs and priorities. Unaudited Annual Report as submitted to Auditor General to be used as input into the IDP strategic phase process and community verification & input by MPAC on reported performance. Such	If the above process is followed, the unaudited Annual Report can add value to the IDP/Budget planning process for the next year as well as oversight by MPAC on the reported deliverables by communities and achievements targets reached.	Council	August

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
information includes that of various entities incorporated into the information of the parent entity.			
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity.	Section 126(3) (b) require the Auditor- General to submit an audit report within three months after receipt of statements from the municipality.	Auditor-General	November for municipalities without entities & December for municipalities with entities
Annual Report and oversight report process for adoption to be used as input into public participating meetings for the IDP review process.	Section 127,128,129 and 130	Council	September November
The Auditor-General's reports are issued during the period of Oct/Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed	Section 129, 130 and 131. Tabling the audited Annual Report within 5 or 6 months after the end of the financial year. Section 75 for publication on website.	MM	November/Dec ember
Mayor tables audited Annual Report and financial statements to Council		Mayor	November/Dec ember
Audited Annual Report is made public, e.g. posted on municipality's website		IT Director Accounting officer	November/Dec ember
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December		Oversight Committee	November/Dec ember
Council adopts Oversight report.	The entire process, including oversight reporting and submission to provincial legislators is completed in December and not in March the following year.	Council	December
Oversight report is made public.		MM	December
Oversight report is submitted to Legislators, Treasuries and DCoG		Mayor	December

uMfolozi Local Municipality adheres with the legislative provisions in that the Unaudited Annual Report was submitted to Auditor General and COGTA on the 31st of August 2021. The Unaudited 2020/2021 Annual Report was then tabled to Council on the 25th of January 2022 in response to Section 127 (2) of the MFMA, made public for comments on the municipal website and thereafter it was tabled to Council for approval together with the Oversight on the 30th of March 2022 which is no later than two months after the AR was submitted to council as per Section 129 (1).

CHAPTER 2 - GOVERNANCE

INTRODUCTION TO GOVERNANCE

Political leaders and Senior Managers of administration have a leadership responsibility and are accountable for ensuring good governance in the municipality. Some of the good governance that the municipality should demonstrate compliance with are: Accountability, Transparency, Rule of Law, Responsiveness, Participation, Effective and Efficiency.

The MFMA, section 52 (a) states that the mayor must provide general political guidance over the fiscal and financial affairs of the municipality. Adequate provision is made in the system of delegations and sub delegations to ensure the effective, efficient and accountable functioning of Council, the Political Executive of Council, and the Municipal Manager as Chief Accounting Officer as well as the General Managers as executors of policy and service delivery. The office of the Speaker who is responsible to ensure smooth functioning of Council and its committees underpins the functioning of Council.

Component A: Political and Administrative Governance

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

uMfolozi Local Municipality has five departments namely: Executive Department, Corporate Services Department, Community Services Department, Financial Services Department and Technical Services Department.

Each department is led by a Section 56 manager reporting directly to the Municipal Manager with the exception of the Chief Operations Officer whose appointment falls within the Main Collective Agreement (MCA).

The Municipal Manager reports directly to Executive Committee via the Mayor who is the chairperson of the Executive Committee.

The Municipal Manager is assisted by the Senior Managers, Internal Auditors and the Audit Committee in meeting his accountability requirements in terms of the Municipal Finance Management Act and other pieces of legislation.

2.1. Political Governance

INTRODUCTION TO POLITICAL GOVERNANCE

uMfolozi Local Municipality consists of 35 Councillors which form part of the Municipal Council. The Executive Committee (ExCo) in the municipality reports directly to Council. In terms of Section 12 of the Local Government: Municipal Systems Act, four (4) Portfolio Committees have been established reporting directly to the Executive Committee. The chairperson for each Portfolio Committee is nominated by Council. Each Portfolio Committee has its own Terms of Reference; which includes oversight functions and recommending decisions to Executive Committee. None have delegated authority. The Portfolio Committees deliberate issues and make recommendations to the Executive Committee to take decisions, if

Executive Committee is delegated to take decisions, and/or to consider when recommending to Council to take decisions. The Council meets on quarter basis and the Executive Committee meets on monthly.

The following Portfolio Committees have been established: Financial Services Portfolio Committee, Corporate Services Portfolio Committee, Community Services Portfolio Committee and Technical Services Portfolio Committee. In terms of section 166 of the MFMA, the Audit Committee exists within the Council. MPAC performs the responsibilities of the Oversight Committee by reviewing Auditor General's reports, annual reports, internal audit reports and on own initiative on instruction by Council, investigates and advises Council on unauthorised, irregular, fruitless and/or wasteful expenditure in terms of section 32(2) of the MFMA. The Audit Committee and MPAC are working closely and they both report to Council at least quarterly. The Oversight Report is published separately in accordance with MFMA guidelines.

POLITICAL STRUCTURE

SENIOR POLITICAL LEADERSHIP	EXECUTIVE COMMITTEE
HIS WORSHIP MAYOR (Cllr X.M. Bhengu)	HIS WORSHIP MAYOR (Cllr X.M. Bhengu)
DEPUTY MAYOR Cllr N.N. Gumede	DEPUTY MAYOR Cllr N.N. Gumede
SPEAKER (Cllr MM MTHIYANE)	EXCO Members Cllr Mr T.M Biyela
WHIP OF COUNCIL (Cllr C. Makhunga)	Cllr B. T. Ntombela Cllr S.P. Mpanza

COUNCILLORS

uMfolozi Municipal Council comprises 35 Councillors (18 IFP, 13 ANC, 3 & 1 NFP EFF; 15 IFP & 17 ANC), 18 Ward Councillors and 17 are PR Councillors. The Municipal Council also have Whip of Council

POLITICAL DECISION-TAKING

Political decision-making is guided by the governance model consisting of:

- ❖ Section 79 committees recommend matters directly to Council for approval: and 42
- ❖ Section 80 committees, which are advisory committees to the mayor, who has been delegated certain decision-making powers. The mayor can either note matters or report such to council or to recommend matters to council for approval. Council is the highest decision-making body in the municipality.

2.2. Administrative Governance

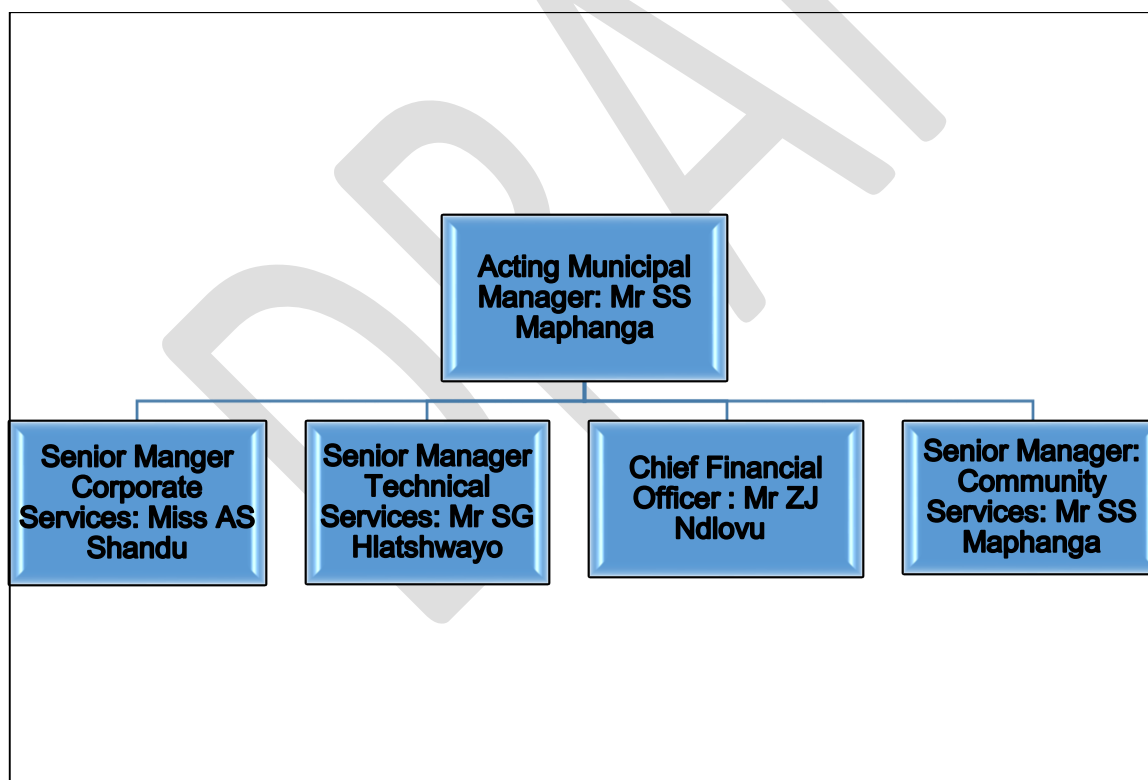
In accordance with municipal legislation, uMfolozi Local Municipality has developed an organizational structure which has been adopted by Council. The managerial structure has been developed in a manner that would enable the Municipality to deliver on its priorities and objectives, as set out in the Municipal Integrated Development Plan (IDP).

uMfolozi Local Municipality consists of five (5) administrative departments led by the following senior managers appointed in terms of Section 54 and 56 of the Local Government Municipal Systems Act, 32 of 2000:

No	Position	Appointment status
1.	Municipal Manager	Filled
2.	Chief Financial Officer	Filled
3.	SM: Corporate Services	Filled
4.	SM: Technical Services	Filled
5.	SM: Community Services	Filled

The top management of the Municipality understand their individual role within the overall administrative spectrum of the Municipality, and they complement each other in the execution of the roles and responsibilities. They have been entrusted a great responsibility of leading the Municipality to greater heights and thereby making a significant impact to service delivery

TOP ADMINISTRATIVE STRUCTURE



Component B: Intergovernmental Relations

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Section 41 of the Constitution emphasizes the importance of co-operative governance as one of the key initiatives to address service delivery challenges. uMfolozi Municipality has established Operation Sukuma Sakhe structures where all stakeholders sit together and plan on how to address service delivery challenges. Operation Sukuma Sakhe is the vehicle for service delivery hence ensures the avoidance of duplicating resources. The Municipality has been recognised at a Provincial level as one of the Municipalities with effective Operation Sukuma Sakhe programmes. Through Operation Sukuma Sakhe initiatives, houses have been built for destitute households as part of responding to outcome nine of government priorities. Structures of Operation Sukuma Sakhe have been established in all wards under the jurisdiction of uMfolozi Municipality with the purpose of having accurate information about challenges that are encountered at a ward level and ensuring the realisation of an integrated Service Delivery Model.

2.3. Intergovernmental Relations

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality is a participant in some national forum. On an administrative level, the Chief Financial Officer (CFO) participates in the CFO's Forum which is convened by the National Treasury and the office of the Auditor General. The Municipal Manager participates in the National Municipal Managers Forum convened by the South African Local Government Association (SALGA). Both Councillors and management also participate in the SALGA National Members Assembly. Participation in these national forums is key to be able to network, benchmark and expose the municipality to a variety of developmental and funding opportunities.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Municipal Manager and the Mayor participate in the technical and provincial MUNIMEC respectively. They also participate in the Premier's Coordinating Forum. The provincial SALGA convene the provincial MM's Forum of which the City Manager does attend.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality participates in the District Municipal Managers, Speakers and Mayors Forum. Following the establishment of the District Command Council during the COVID-19 Disaster, the Municipality is the co-convenor of the Social Cohesion Cluster. The Communications Unit participates in the District Communicators forum which helps by benchmarking on the best practices from other municipalities.

Component C: Public Accountability and Participation

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

During the 2021/2022 financial year, the municipality had 170 ward committees which serve as a conduit between the municipality and the committee. In addition to ward committees, the Service Delivery and Budget Implementation Plan (SDBIP) is made public and published on the municipal website. This contains projected financial and service delivery Indicators and deliverables. Members of the public are also invited to participate in the Oversight process related to the Annual Report. In the promotion of public accountability and participation members of the public are invited to attend all meetings of the Council and its committees. Another mechanism of public participation is conducted through Mayoral Budget and Integrated Development Plan (IDP) Izimbizo's. These are held prior to developing the draft budget to provide feedback to the community the implementation of projects in the current financial year and to illicit the needs of the community to provide input for the new financial year. A second Izimbizo is held once the draft budget has been developed to inform the public of key elements in the proposed budget and illicit responses thereto. The Section below provides an outline of further mechanisms which the municipality utilizes as a mean of public participation.

2.4. Public Meetings

COMMUNICATION, PARTICIPATION AND FORUMS

As per the Municipal Systems Acts 32 of 2000 (MSA) and Municipal Finance Management Act MFMA) the municipality tabled the IDP/Budget Process plan in Council. The process plan outlines the activities to be undertaken leading up to the adoption of the 2022-2023 IDP review and budget at the end of May 2022. This includes consultation which takes place through the five zonal izimbizo (meetings) where community members from each ward are present and have an opportunity to engage the mayor with regards to their community needs and planned projects in the area. Prior to the Izimbizo an IDP & Budget workshop was held with ward committee members to sensitize them in terms of what the IDP and budget entail. For the municipality to comply fully with the MSA and MFMA the municipality needs to facilitate the IDP/Budget consultation process.

The below tables present consultation schedules which were followed through the 2022/23 IDP and Budget Process Plan.

Community Public Participation:

NO	AUDIENCE DESCRIPTION	DATES	WARDS CLUSTERED	VENUE	STATUS QUO
1	KCDM & uMfolozi IDP Road Show with IDP Ward Committee Cluster 3	05/10/2021	2,8,11 & 15	Nohhaha Sportsfield (Ward 15)	Successful
2	IDP Ward Committees Cluster 1	28/09/2021	1,3 & 4	Ndlabeyilandula Community Hall	Successful
3	IDP Ward Committee Cluster 2	30/09/2021	5,6,14 & 16	Mzingazi Community Hall	Successful
4	IDP Ward Committee Cluster 4 & 5	03/10/2021	(7,9,10,12,13 & 17)	Dondotha Community Hall	Postponed

Given the above details of the consultations that were conducted, the following requests were received from diverse community representative

Public Participation Inputs/ Submissions

NO	REQUEST/COMMENT/ COMPLAIN/COMPLIMENT
WARD 01	
1.	Maintenance of Sokhulu Stadium
2.	Request the benefit of local business
3.	Request the addition of teams joining Siyabonga Sangweni Tournament
4.	Water provision at Ngome, Thukwini abd Emanzi amnyama VDs.
5.	Maintenance of Hlawini gravel road
6.	Need provision of seeding to local farmers
7.	Construction of Sokhulu Library
8.	Request the construction of satellite police station
9.	Request for bus shelter
10.	Request for electric fence for agricultural projects
11.	Request for revival of the Men's Forum
12.	Request for educational development of two ward committee members
WARD 02	
1.	Addition of Dumping Bins in Joe Slovo VD
2.	Reviewal of waste collection schedule around KwaMbonambi town
3.	Construction of Toilets in Joe Slovo VD
4.	Addition of electricity infills in Joe Slovo VD
5.	Maintenance of existing pipe water supply in all VDs
6.	Mangwe Village need electricity infills and RDP houses
7.	eZidonini need maintenance of Sport-field
8.	eZiphoziphozi access road to Kwa-Msane need maintenance
9.	Assessment of Ward committees' reports

10.	Maintenance of sport-field at Ntobozi, Nozambula, Mandela and Mthwane DV
11.	Fencing support to local farmers
12.	Maintenance of boreholes
13.	Construction of bridge at eMpumelelweni access roads
14.	Maintenance of access road from Empumelelweni to Phoziphozi and Ezidonini VD (Under construction)
WARD 03	
1.	Establishing of Health and Safety Forum Program
2.	Explanation for access procedures to the Ministries Programme budget
3.	Information procedure about food parcel beneficiaries
4.	Home Affairs School I.D Programme
5.	Progress report on the completed list of the RDP houses beneficiaries.
6.	Progress report for Toilet's construction programme initiated in 2017
7.	Request the progress report for Zethembe Project that was previous submitted for consideration under Women Empowerment Programme budget
8.	Maintenance of Makwathini access road
9.	Extension of Sokhulu Clinic working hours
10.	Establishment of Health and Safety Forum Programme
11.	Maintenance of Koko access road (completed)
12.	Request for Community Hall
WARD 04	
1	Progress report on the Municipal new demarcation voundaries
2.	Maintenance of all gravel access roads
3.	Progress report on the electrification project beneficiaries
4.	Word of appreciation to all constructed access road
5.	Maintenance of Mhlahlane bridge
6.	Pipe water supply at Ndlabeyilandula VD
7.	Construction of Ndlabeyilandula Sport-field VD
8.	Utilisation of Senior Citizens budget
9.	Progress report on Municipal new demarcation boundaries
10.	Maintenance of all gravel access roads
11.	Progress report on the electrification project beneficiaries
12.	Utilization of Senior Citizens Budget
WARD 05	
1.	Implementation plan for SMME Fair Programme budget
2.	Request for criteria that used during the recruitment process of the local people
3.	Budget implementation plan for the Senior Citizens Programme
4.	Water supply provision to all VD's
5.	Electrification infills progress report
6.	Tent for the community
7.	Maintenance of access road at Elanjini VD

8.	Maintenance of water pipe
9.	Installment of High Mast lights
10.	Need youth Programme
11.	Construction of Police Station
14.	Request for bus shelter
15.	Request for RDP houses (Sibululwane housing Project is currently under construction 300 houses)
16.	Request for installation of electricity
17.	Request for the maintenance of pipes
18.	Request for electricity
19.	Request for construction of Nelly Road
WARD 06	
1.	Maintenance of access roads in all VDs
2.	Construction of Public Toilet in the community hall
3.	Procedure on the Pauper burial programme
4.	Request for maintenance of Skhangane road
5.	Request for housing for families in need
5.	Request the installation of road signs and speed humps on the main roads
WARD 07	
1.	Maintenance of Way-Bridge
2.	Maintenance of all access roads
3.	Construction of gymnasium at Emabhuyeni VD
4.	Construction of bus shelters
5.	Construction of community hall at Khenani VD and Makhuba VD
6.	Maintenance of Menti Crèche
7.	Maintenance of Makhuba Pay Point
8.	Request for maintenance for Phumungene gravel road
9.	Request for maintenance for Mzingazi Hall
10.	Request for gym equipment for Emabhoyeni gym
11.	Request for Library books
12.	Request burial assistance for deceased ward committee members
WARD 08	
1.	Construction of Bus shelters at eMzingeli, Esikhupheni, Zonza and Entsheni bus stop.
2.	Maintenance of High mast light near Kwa-Masuku (Completed)
3.	Construction of bus shelters at Kwa-Masuku and kwa- Mdladla
4.	Maintenance of access road from Kwa-Mdladla to kwa-Dube
5.	Maintenance of all access roads
6.	Construction of mini bridge
7.	Construction of Gymnasium
8.	Provision of WIFI hot spot
9.	Substitution of steel water taps with plastic water taps in all VDs

10.	Maintenance of access roads from Qedumona to Mfaniso VD
11.	Construction of Bus shelter at Esigaganeni bus stop
12.	Provision of water supply Emfolozane VD
13.	Construction of a dam for church procedures (baptizing)
14.	Need campaigns for World AIDS day
15.	Request for increment for disability budget
16.	Request for increment for Youth Development Budget
17.	Request for increment for Local Development Budget
Ward 09	
1.	Dondotha Hall needs toilets and chairs
WARD 10	
1.	Completion of Mvamanzi creche
2.	Construction of boreholes at Mvamanzi VD x3
3.	Maintenance of P6170 road
4.	Maintenance of Hlabosini community hall
5.	Water supply at Gegede VD
6.	Construction of multipurpose centre at Hlabosini VD
7.	Construction of RDP houses in all VDs
8.	Construction of Gegede community hall
9.	Maintenance of Conco access road
10.	Request the construction of a Creche at Madanishini VD
11.	Construction of Netball sport-field at Mundi VD
12.	Construction of a Creche at Mundi VD
13.	Construction of bus shelters at Mqedl VD and Kwelekwele VD
WARD 11	
1.	Construction of bus shelters at Makabishini, Ecinci, New Pathane, emawombe and Mgababa.
2.	Construction of dams in all VDs
3.	Maintenance of Windmill
4.	Maintenance of Cinci Clinic access road
5.	Provision of Wheelchairs to profiled list of beneficiaries
6.	Intervention to address the electricity infill issue at Cinci VD
7.	Water supply in al VDs
8.	Maintenance of P494 roads
9.	Maintenance of Maqabaqabeni access road
10.	Provision of RDP house in all VDs
11.	High mast light around Wholesale and New-land area
12.	Urgent intervention regarding borehole water scheme by KCDM
13.	Construction of Toilets in all VDs
14.	Provision of electricity in all VDs
15.	Road maintenance between ward 11 & 15
16.	Request for water provision in Cinci Clinic
17.	Request for additional staff at Cinci Clinic

18.	Provision of water taps in all VDs
WARD 12	
1.	Maintenance of bridges for all access roads
2.	Construction of RDP houses at Sabhuza VD and Mfaniswane VD
3.	Electricity infills at Sabhuza VD, Fuyeni VD, Makhwezini VD, and Mphathiswane VD
4.	Maintenance of access roads at Khumalo road, Mfolozane road, Hlangeni road, Mtiya road and Ohlange road.
5.	Construction of creche at Mtiya VD and Fuyeni VD
6.	Construction of high-mast lights at Fuyeni VD, Mphathiswane VD and Makhwezini VD
7.	Construction of toilets in all VDs
8.	Construction of dams at Fuyeni VD and Mphathiswane VD
9.	Construction of Cattle-Dip at Fuyeni VD and Sabhuza VD
10.	Construction of Sports-field at Makhwezini
11.	Request for progress report on the Emvamanzi RDP Housing Project
WARD 13	
1.	Maintenance of D875 road for Eshayamoya VD
2.	Maintenance of D875 bridge at Ocilwane VD
3.	Construction of Dams at Shayamoya VD, Ocilwane VD and Ntuthunga 2 VD
4.	Maintenance of Cemetery land at Ntuthunga 2 VD
5.	Construction of Community Hall at Ntuthunga 1 VD
6.	Construction of bus shelter at Ntuthunga 1 VD and Ocilwane VD near school
7.	Hand-over of Wheelchair to profiled list beneficiaries in all VDs
8.	Construction of RDP house to profiled beneficiaries list in all VDS
WARD 14	
1.	Request for information about the reporting procedure for illegal Dumping
2.	Request for information about the incomplete project/programme consequences
WARD 15	
1.	Construction of high mast light in Oshwashweni VD
2.	Maintenance of access roads in all VDs
3.	Electricity infills to the remaining households in all VDs
4.	Toilet infills to the remaining households in all VDs
5.	provision of 5 water tanks in Bhubhu VD
6.	construction of Sport-field and Gymnasium in Bhubhu VD
7.	Maintenance of Ntinkulu access road and construction of Ntinkulu way-bridge
8.	Electricity infills to community halls, Oshwashweni, Phathane and Bhubhu.
9.	Bus shelter at Phathane bus stop
10.	Request for additional housing projects
WARD 16	
1.	Recruitment and appointment caretakers in Nzalaabantu Sport-field
2.	Progress report Rose Mary access road

WARD 17	
1.	Construction of school at Esiphekephekeni VD
2.	Maintenance of Esiphekephekeni access roads
3.	Construction of RDP houses in all VDs
4.	Electricity infills in all VDs
5.	Maintenance of bridges at eBhiliya VD and eZipolomba VD
6.	Water supply in Ebhiliya VD
7.	Provision of resources at Mningi Clinic
8.	Maintenance of access road at Ezinyosini VD
9.	Construction of Bambisanani Crèche Ezakhekahle VD
10.	Ezakhekahle VD need electricity infills and water supply
11.	Ezipholomba need addition of water tanks
12.	Ezipholomba need construction of clinic
13.	Ebhiliya need the maintenance of all access roads
14.	Water supply eBhiliya and Fuyeni VD
15.	Construction of eBhiliya Dam
16.	Provision of Network service at eBhiliya VD
17.	Construction of RDP phase 2
18.	Request for water provision in all VDs

Traditional Leadership

Traditional authorities that have traditionally observed customary law in the area of the municipality may participate through their leaders in the proceedings of the municipality and must be allowed to attend and participate in any meeting of the Council. iNkosi Mthiyane from Mambuka Tribunal Authority and the Administrator from the Mbonambi Tribunal Authority have a seat in uMfolozi Municipal Council, and the Municipality does allow all five traditional leaders to express their views on any matter affecting their traditional Authority as stated by Municipal Section 81 of the Structures Act, No.117 of 1998. Traditional leaders are also taking part in preparing, presenting and implementing IDP processes and in resolving any other matters that arise or affect their traditional authority.

The below tables present consultation schedules which were followed through the 2022/23 IDP and Budget Process Plan.

Traditional Authority:

NO.	TRIBAL COUNCIL	DAY OF SITTING PER WEEK	PROPOSED VISITS	STATUS QUO
1.	Mbuyazi Traditional Council	Every Tuesday	12 October 2021 At 10h00	Successful
2.	Mambuka Traditional Council	Every Thursday	14 October 2021 At 10h00	Postponed
3.	Somopho Traditional Council	Every Tuesday	14 October 2021 At 09h00	Successful
4.	Sokhulu Traditional Council	Every Tuesday	21 October 2021 At 12h30	Postponed
5.	Mhlana Traditional Council	Every Tuesday	26 October 2021 At 10h00	Successful

Given the above details of the consultations that were conducted, the following requests were received from diverse community representative.

Lists of Traditional Leaders Inputs/ Submissions

No	REQUEST/COMMENT/ COMPLAIN/COMPLIMENT
MAMBUKA TRADITIONAL AUTHORITY	
1.	Construction/Maintenance of Railway bridges
2.	Request drilling machine and generator
3.	Maintenance of access roads at Enyosini and eMadalweni
4.	Maintenance of Solar system at eDamimi nearby Magwaza Household
5.	Maintenance of access road to Inkosi household
6.	California borehole status Qua
7.	Maintenance of electricity infils
SOMOPHO TRADITIONAL AUTHORITY	
1.	Request the hand-over of Bhiliya Sport-field
2.	Maintenance of all Bhilya access roads
3.	Maintenance of Bhiliya Network service
4.	Request the TLB services
5.	Small farmers request Equipment's and seedings
6.	Request Indigent Budget
UMHLANA TRADITIONAL AUTHORITY	
1.	Request the start date for uMfolazi Single Land-Use scheme
2.	Word of appreciation for up-coming Dondotha High-mast light
3.	Request the benefit of local artist during Sangweni Tournament
4.	Construction of Bus Shelter near Inkosi Yesizwe household
5.	Maintenance of all access roads
6.	Maintenance of P511 (Thandaza) to Phathene P494
7.	Request Gardens programmes for youth and women
8.	Ward 08 has requested the municipality to follow up on the completion of the RDP homes which were in court from 2013.
9.	Requested the councilors also focus on other wards
10.	
MBUYAZI TRADITIONAL AUTHORITY	
1	Request the meeting with iLungelo lami Service provider
2	Request the burial scheme support for indigent group
3	Construction of bridge at Nhlanzini VD
4	Maintenance of all access roads at Nhlanzini VD
5	Request the TLB services at Ward 16
6	Small farmers need financial support
7	Request speed-up of Multipurpose canter (Ward16)
8	Utilization of Traditional Authority budget

9.	Request the municipality to help the matriculants who pass matric without distinctions who are unable to afford the university fees.
10.	Request the ward councilors to inform the traditional council about the developments that will happen in their wards.
11.	Request the municipality the inclusion of the Mbuyazi tribal authority in the history of KwaMbonambi.
12.	The municipality is commended for the construction of the MPCC
SOKHULU TRADITIONAL AUTHORITY	
1.	Request the youth Programmes
2.	Local SMME fair support
3.	Support of Co-operative by other stakeholders
4.	Water supply at eThukwini VD
5.	Tree cutting services at Ward 01
6.	Sokhulu Small farmers need seedlings and other.
7.	Request the revival of Widows structure and Traditional healers
8.	Maintenance of all Sokhulu Access roads

WARD COMMITTEES

Section 74 of the Municipal Structures Act, and regulation 5 of the Government Gazette No. 27699 Ward Committee, state that Ward Committees may have powers and functions delegated to them (which are essentially advisory in nature) in terms of S59 of the Municipal Systems Act, these are:

- 1) To serve as an official specialized participatory structure in the uMfolozi Municipality.
- 2) To create formal unbiased communication channels as well as a co-operative partnership between the community and the Council.
- 3) Advise and make recommendations to the Ward Councillor on matters of policy affecting the Ward.
- 4) Assisting the Ward Councillors in identifying the challenges and needs of residents.
- 5) Dissemination of information in the Ward concerning municipal affairs such as the budget, integrated development planning, performance management systems, service delivery options and municipal properties.
- 6) Receive queries and complaints from residents concerning municipal service delivery, communication with Council and provide feedback to the community on Council's response.
- 7) Ensure constructive and harmonious interaction between the municipality and community through the use and co-ordination of Ward residents' meetings and other community development forums; and
- 8) Interact with other organizations and forums on matters affecting the Ward.

A ward committee may also make recommendations on any matter affecting its ward to the Ward Councillor or through the Ward Councillor to the Local Council.

Ward no.	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during the year
1	Council Member: Cllr GM Khumalo Ward Committees: Mkhwanazi Zinhle S; Zungu Themba; Zwane Bright; Khumbulani Mavundla; Bonisiwe Mfekayi; Senzo Myeni; Ntombenhle P Mthiyane; Nomkhosi Mthiyane; Thuleleni Tembe James; Dube Gugu Cynthia	Yes	6	6	3
2	Council Member Cllr AM Mtshali Ward Committees: Mjadu Zazi; Gonya Bongani;Mlambo Zama ;Dlamini Bandlelihle ;Biyela Simangaliso; Mhlongo Hlengiwe; Ntshangase; Mncedisi Shandu Nokuthula; Hicks Geraldine;Barnes Russell	Yes	6	6	3
3	Council Member: Cllr ES Mthethwa Ward Committees: Mbuyazi Bongani; Gumede Ace; Dlodla Patience;Dlamini Sicelo Mhlungu Bongile; Mbuyazi Celimpilo Mthiyane Sicelo; Vacant; Mhlongo Joel; ZamaZamokuhle	Yes	6	6	3
4	Council Member: Cllr TM Mdhlesthe Ward Committees: Sigwaza Zibuyisile; Mtshali Sibongile; Mthembu Nkosinathi; lekwayo Gugu;MoletsaneTsepo; Hlongwane Xolani B.; Zikhali Khuphukile; Hadebe Nkosinathi;Mkhwanazi Mzwakhile; Ncube Sabelo	Yes	6	6	3
5	Council Member Cllr Nxumalo Ward Committees: Zikhali Nkosikhona; Khumalo Thembelihle; Mthethwa; Jahokwakhe;Zulu Scelo; Buthelezi Senzo;Mngadi Fikile; Shelembe Bonginkosi;Biyela Cashile; Mthiyane Siyabonga; Mbuyazi Abton Maluza	Yes	6	6	3
6	Council Member: Cllr C. Makhunga Ward Committees: Mayisa Sabelo; Mzobe Benzokuhle ; MbuyaziMakheni; Khumalo Thobani; Mbatha; Mpisendlini Denis; Ntuli Nontokozo; Mthembu Alson; Dube Mbali; Sikhakhane Bhekuyise; Cele Ntombifuthi.	Yes	6	6	3
7	Council Member Cllr AB Ntombela Ward Committees: Sithole Sthembela; Mdletshe Zandile;Ndlela Ntuthuko; Dlamini Nzuzo; Mdletshe Mfanafuthi; Mwandla Jabulani; Miya Nokwazi; Mndaba Sicelo;Mdletshe Mapendane; SinqilaMbuyiseni	Yes	6	6	3
8	Council Member Cllr TM Biyela (Hon. Deputy Mayor) Ward Committees: Ndlovu Slindile; Nkosi Njabulo;Mthembu Zakhele; Mabaso Baphindile; Mbuthu Phakamani V. ;Dlamini Sthulile; Mlambo Siyabonga;Ndlovu Ntombizodwa; Khomo Thamsanqa;MthethwaRS	Yes	6	6	3
9	Council Member Cllr Mthethwa Ward Committees:	Yes	6	6	3

	Ndlovu Zodumo; Mdletshe Sinenhlala; Sikhakhan eLungisani ;Mdletshe Azine B' ; ene Phumlani; MthethwaKhayelihle; Mtshali David; Nsimbi Muziwoxolo; Mkhize Sizwe ;Mthethwa M				
10	Council Member: Cllr SZ Mthethwa Ward Committees: Mthethwa Hlobile; Ngubane Bongumusa ; Zuma Vukani; Mbambo Bongiwe; Nene Thobile Witness; Mpanza Thuthukani; Gumede Sibonokuhle Shabalala; Sinenhlanhla; Khanyile Alsaphina; thethwa AN	Yes	6	6	3
11	Council Member Cllr Gumbi Ward Committees: Mpanza Sandile; Mthethwa Mpilenhle;Sithole Zanele; Mbokazi Sabelo;Sithole Siphamandla; Sibiya Mboniseni; Mgenge Lindani; Manqele Khayo; Ndabandaba Philani	Yes	6	6	3
12	Council Member His Worship The Mayor Cllr Bhengu Ward Committees: Mlotshwa Gladys; Biyela Tholakele Dladla Nkosinathi; Mchunu Sengiwakhile; Nxumal oNtokozo; Mthethwa Mlungisi; Mthethwa Thulile; Nzimande Nomvuselelo ;Shelembe Nicholas Mvungamseni Mthethwa Mboniseni Thembinkosi	Yes	6	6	3
13	Council Member Cllr TNdimande Ward Committees: Mathe Khanyisile; Vacant; Mngwengwe Philisiwe; Mchunu Khipheni; Nqulunga Shokwakhe; Mdletshe Sibusiso; Mvelase; hilani; Dlamini Gijimani; Dlamini Gugu; Mdletshe M	Yes	6	6	3
14	Council Member Cllr NS Ngubane Ward Committees: Mkhwanazi Joice; Mbuyazi Bheki; Shezi Zodwa ;Ngema Thandeka ; Ngema Khaya; Buthelezi Tholinhlanhla; Sithole Thabiso; Dladla Mandla; Cele Dumisani; Ngema Mcosheri	Yes	6	6	3
15	Council Member Cllr Conco Ward Committees: Vilakazi Xolani; Msimango Ntonto; Mtshali Sphesihle; Mkhwanazi Sinothi; Nkosi Lucas; Mngqayi Musawenkosi; Zwane Mothule; Ngobese Sibongiseni; Nguban eAlfred; tshangase Prosper	Yes	6	6	3
16	Council Member Cllr Sithole Ward Committees: Mhlanga Sibusiso; Ncamphalala Thando; Msweli Nomusa Xulu Nokuthula; Gumede Petros; Cele Sabelo; Ntuli Nonhlanhla; Mbuyazi Happiness; Mbuyazi Mvikeli; Mbuyazi Bonginkosi	Yes	6	6	3
17	Council Member Cllr Sibiya Ward Committees: Buthelezi Siphon, Mvelase Nonhlanhla; Shezi Nonhlanhla; Sibis I Sifiso; Mkhwanazi Hlakaniphile; Magubane Lindiwe; Mnguni Nonjabulo; Mdlole Celiwe; Mngwengwe Mzokhona; gemaSibongile	Yes	6	6	3
18	Council Member Cllr Shobede Ward Committees: Myeni Ernest; Msane Siphiwe; Khumalo Mandla; Linda Sizwe Gina Mduduzi; Mntambo Sibusiso; Mthethwa Zama; Mnyango Qaphelani; Mthethwa Hlengiwe; Mngomezulu Khulekani	Yes	6	6	3

2.5. IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

Component D: Corporate Governance

OVERVIEW OF CORPORATE GOVERNANCE

Political leaders and Senior Managers of administration have a leadership responsibility and are accountable for ensuring good governance in the municipality. Some of the good governance that the municipality should demonstrate compliance with are: Accountability, Transparency, Rule of Law, Responsiveness, Participation, Effective and Efficiency.

The MFMA, section 52 (a) states that the mayor must provide general political guidance over the fiscal and financial affairs of the municipality. Adequate provision is made in the system of delegations and sub delegations to ensure the effective, efficient and accountable functioning of Council, the Political Executive of Council, and the Municipal Manager as Chief Accounting Officer as well as the General Managers as executors of policy and service delivery. The office of the Speaker, who is responsible to ensure the smooth functioning of Council and its committees, underpins the functioning of Council.

2.6. Risk Management

The Municipality has established the Risk Management Committee, which sits monthly, the Risk Management Framework has been developed. The reports of this committee are tabled to the Senior

Management, Municipal Public Accounts Committee, Audit Committee and Council for oversight purposes.

Internal Audit is of the view that, subject to review, the Municipality has adequate instruments to drive risk management. Our framework, profiles risks in terms of their likelihood of occurrence and impact to the Municipality, in terms of the best practice guidelines to risk management. The, then status of the Municipality, which, as discussed above, has not been updated, locates most of the risks as high and critical. Although not updated, there is evidence that this risk exposure has not improved since the initial assessments. The discussions surrounding this claim are in the sections that follow in this document.

2.7. Anti-Corruption and Fraud

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipal Council has the Anti-Fraud and Corruption Policy, Whistle Blowing Policy, and Anti-Fraud and Corruption strategy that was adopted by Council. The Municipality is using the provincial and National 'Mpimpa' hotline which continued to play a significant role in ensuring that the members of the uMfolozi community were able to report allegations of fraud, corruption, theft, embezzlement of Council funds, vehicle abuse, theft of electricity and water through illegal connections, Supply Chain Management irregularities, unethical behaviour, and other gross maladministration taking place within the municipality. During the year under review, we further received the municipality has received allegations through social media. The contribution of the community in reporting the above-mentioned allegations is much appreciated. Some investigations were done on request by the Municipal Manager.

The uMfolozi community members have an obligation to bring allegations of immoral behaviours to the Municipality. The fight of scourge of fraud, corruption, theft and embezzlement of the assets of the Municipality needs a concerted effort of all citizens of uMfolozi to protect their rates and tax monies which they work very hard for as not cause suffering and pain to the community.

The community is deprived basic rights of human dignity and improvement of quality of life for citizens. Allegations that are reported through whistle blowing hotline and other means are prioritized by conducting preliminary investigation to test the veracity of the allegations. If preliminary investigation gives indication of any wrong doing a full-scale investigation on each case are done.

2.8. Supply Chain Management

OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

2.9. By-Laws

By-laws Introduced during 2021/22

Newly Developed	Revised	Public Participation conducted prior to adoption of By-law (Yes/No)	Dates of Public Participation	By-law Gazetted (Yes/No)	Date of Publication
-	Solid Waste By-laws	No	N/A	No	N/A

COMMENT ON SOLID WASTE BY-LAWS:

The solid waste bylaws were developed and adopted by council in 2016/2017 financial year, however, the By-law was not gazetted over the past years due to lack of funds for the Government Printers. During the 2021/2022 financial year, the budget was allocated for the gazette of Solid Waste By-laws and were reviewed internally. However, the Public Participation could not be conducted prior to adoption due to the Global Pandemic. The By-Laws are planned to be gazetted in 2022/2023 financial year.

2.10. Websites

Municipal Website: Content and Currency of Material	
Documents Published on the Municipality's Website	Yes/No
Current annual and adjustment budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2021/22)	Yes
The annual report (2021/22) published/to be published	Yes
All performance agreements required in terms of section 57 (1)(b) of the Municipal Systems Act (2021/22) and resulting scorecards	Yes
All service delivery agreements (2021/22)	Yes
All long-term borrowing contracts (2021/22)	Yes
All supply chain management contracts above a prescribed value for 2021/22	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/22	Yes
Contracts agreed in 2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-private partnership agreements referred to in section 120 made in 2021/22	Yes
All quarterly reports tabled in the Council in terms of section 52 (d) during 2021/22	Yes
T 2.10.1	

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Websites: The Municipal website contains information regarding all matters and process running in the municipality in terms Section 75 of the Municipal Finance Management Act 56 of 2003, it is accessible to all who are interested at www.umfolozi.gov.za.

2.11. Public Satisfaction on Municipal Services

PUBLIC SATISFACTION LEVELS

Community meetings and roadshows have been held to communicate Municipal challenges and programmes with the community of uMfolozi Municipality, presentations have been also made to Traditional Councils to ensure that the Traditional leadership is aware of Municipal programmes in each financial year. The community is given an opportunity during the Budget/IDP roadshows to raise their comments in respect of municipal plans, and such comments are consolidated in the form of a report to ensure that there are interventions by stakeholders. There are quarterly radio slots which are done by the

mayor for a purpose of affording the community with an opportunity to comment on municipal programmes or plans, such has then assisted much in ensuring that the community is given an opportunity when it comes to the provision of services. The Municipality is also in a process of using social media platforms to engage with the public.

COMMENT ON SATISFACTION LEVELS:

Measuring the level of satisfaction of the community with the service rendered by the Municipality is important; suggestion boxes have been placed at strategic points in the municipal buildings and some municipal hall at ward level with little response. A similar situation pertains to the facility of customer satisfaction registers. The Municipality will need to undertake a structured customer satisfaction survey to determine the status quo regarding satisfaction with present service delivery levels.

CHAPTER 3 - SERVICE DELIVERY PERFORMANCE

Component A: Basic Services

Introduction

This component includes: water; waste water (sanitation); waste water (storm water); electricity; waste management; housing services; Indigent support and a summary of free basic services.

The municipality implements or maintain its infrastructure through government grants such as Municipal Infrastructure Grant, Small Town Rehabilitation Programme and Integrated National Electrification Programme. In other instances, maintenance of roads and storm water services is also implemented through repairs and maintenance budget using municipal equipment

3.1. Water Provision

INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

The Municipality does not provide water and sanitation services however all backlogs information is collected by the Municipality through war rooms, IDP road shows and community meetings and sent to the district for implementation.

Water and sanitation provision is a competency of the King Cetshwayo District Municipality. Below is the presentation of water accessibility rate and the sources through which the uMfolozi citizens access water

Water Source Accessibility

Source	Household	%
Regional/Waterscheme (operated by Municipality or other water services provided)	16549	64.7%
Borehole	3127	12.2%
Spring	298	1.2%
Rain water tank	472	1.8%
Dam	880	3.4%
River/ Stream	1607	6.3%
Water Vendor	276	1.1%
Water Tanker	1807	7.1%
Other	567	2.2%
Total	25583	100%

The Municipality does work towards efficient implementation and facilitation of the basic services delivery. Water access is facilitated through the King Cetshwayo District Municipality. King Cetshwayo implemented Mbonambi Water Supply Phase 2 which covers ward 2 and 3 and Mhlana Somopho Phase 3c which covers Ward 7, 8 & 11 during 2016/17 financial year to address backlogs under uMfolozi Local Municipality.

Project Name	Ward	Status Quo	Expenditure	Budget allocation 2018/19
Mbonambi Water Supply Phase 2	Partial 2, 3 and 4	Completed	55 240 404.00	20 000 000
Mhlana Somopho Phase 3c	Ward 8, Partial 2, 7,9 and 15	Completed	71 203 003.00	10 000 000

3.2. Waste Water (Sanitation) Provision

INTRODUCTION TO SANITATION PROVISION

The Municipality does not provide water and sanitation services however all backlogs information is collected by the Municipality through war rooms, IDP road shows and community meetings and sent to the district for implementation. The sanitation has been covered fully. The District Technical Services Department is busy with the planning for quantifying of the in-fills.

3.3. Electricity

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

In terms of the electricity provision, our municipality has achieved universal access in terms of backlog eradication/ reduction with 96% of the households has access to electricity. The municipality addresses its backlog through funds received from Department of Energy i.e Eskom funded connections and Integrated

National Electrification Programme (INEP). The municipality did not have INEP funding in 2021/2022 financial year.

ELECTRICITY SERVICES PERFORMANCE OVERALL:

The municipality did not have INEP funding in 2021/2022 financial year

3.4. Waste Water (Storm water Drainage)

INTRODUCTION TO STORMWATER DRAINAGE

The municipality procured storm water pipes and was installed in various wards.

Storm Water Infrastructure				
	Total Storm Water measures	New Storm Water measures	Storm Water measures upgraded	Storm Water measures maintained
2019/20	8km	Nil	Nil	Nil
2020/21	8km	Nil	Nil	Nil
2021/22	8km	268.4m	Nil	Nil

Cost of Construction/Maintenance				R'000
	Storm water Measures			
	New	Upgraded	Maintained	
2019/20	Nil	Nil	Nil	
2020/21	Nil	Nil	Nil	
2021/22	200 000	Nil	Nil	

3.5. Waste Management

Overall background of the environmental/ waste management business unit

SUBJECT MATTER	DISCUSSION
Supervision	The Environmental/Waste Management business unit has one Environmental/Waste Management Officer whom is responsible to ensure that the unit is functional, stakeholder relations are maintained, programmes are effective and municipal targets are performed and reported on a monthly/quarterly basis. The business unit has 3 Driver Operators and 1 general worker that has been requested to assist as a driver/operator due to shortage of staff. The unit has 9 permanent general workers whom are responsible for waste collection (with 3 trucks), litter picking, cleaning the municipal premises,

	grass cutting, tree felling and pruning, waste transfer station cashier and cleaning the taxi rank. Due to the shortage of staff in this unit, Technical Services staff assist is and when possible, hence the current requested personnel to assist with the supervision of employees is from Technical Services. However, since Technical Services does not account for this function, some planned work is hindered. Moreover, EPWP were added to assist with executing these functions (4 in grass cutting, 3 in cleaning and maintaining the municipal premises, 3 at the taxi rank and 6 at Slovo Ablution Facilities.
Grass cutting	Grass cutting takes place every Monday to Friday using one ride-on mower and 4 brush cutting machines in KwaMbo Town. The 1 ride-on mower is used to cut in Newtown and the brush cutters are used to clear grass in KwaMbo Town. The Municipality has 1 tractor which is used to cut grass in all municipal parks in KwaMbo Town and New Town, Sports Fields and some municipal halls. The tractor only has one designated driver operator which affects daily operations as he is also assigned as a driver/messenger. The operator of the TLB is under Technical Services which also affects daily operations as daily instructions may differ. Further to that, using a tractor that is under Technical Services affects operations as the maintenance budget for the tool is in a different department that does not account for most of the activities that the tractor needs to account for.

Waste Management is one of the Municipality's basic functions. The municipality is unable to provide 100% waste collection services due to insufficient capacity. However, support on waste collection is given to certain areas that have congested households. The municipality is unable to service areas that are scattered. The Municipality has a total of 18 wards and provides weekly waste collection services to 7 wards, including ward 02, ward 17, ward 3, 5,6, 14 and 16. The residential suburbs are serviced on Mondays only, whilst Slovo, Amangwe Village and Mposa are serviced on Wednesdays. The KwaMbonambi town side-walk bins and taxi ranks are serviced Monday to Friday. Mzingazi area is serviced on Tuesdays, Thursday,

Friday and Sunday by the compactor truck (offloading small skips) and three times a week by the skip loader truck (9m³ skip bins). Ntambanana is serviced by the skip loader truck once a week. Recyclers play an important role in reducing waste that goes to the landfill sites. A recyclers database is kept and they are assisted by the municipality with trainings, markets and transportation.

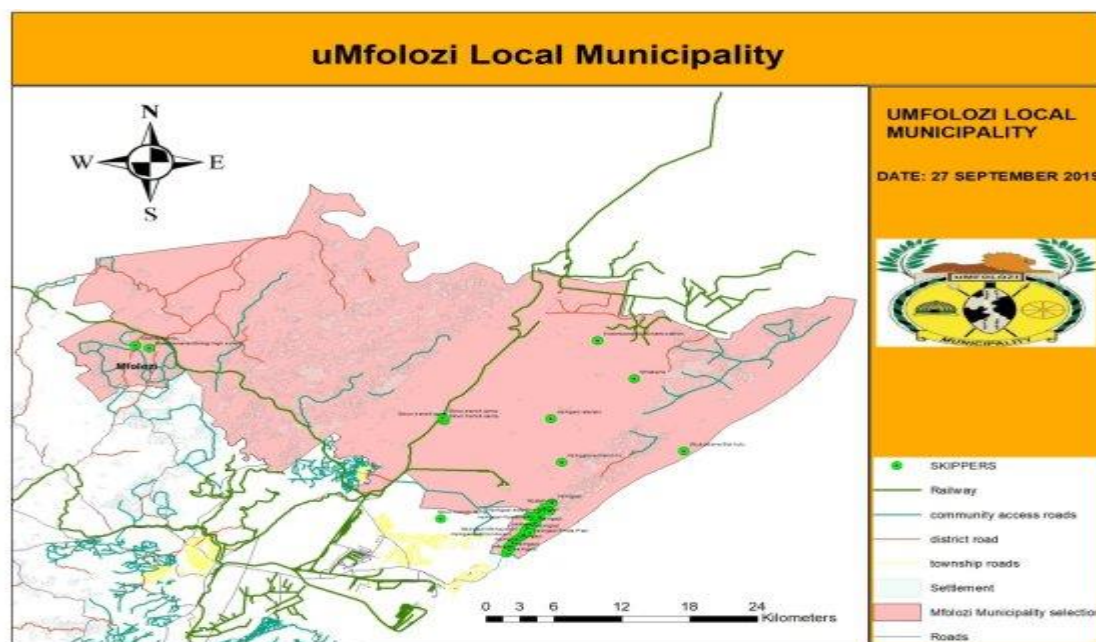
Moreover, the waste management/environment business unit is also liable for Parks and Beautification of the town. This function ensures that grass in parks, greenbelts, verges and roadsides is cut; trees are neatly pruned, and weeds are cleared.

The Municipality has a total of 18 wards and provides weekly waste collection services to 7 wards, including ward 02, ward 17, ward 3, 5, 6, 14 and 16. Waste collection at ward 02 (residential area) takes place every Monday and the commercial area is serviced Monday to Friday. The central point collection in ward 5, 6, 14, 03 and 16 takes place every Tuesday, Thursday and Friday. Waste collection at Slovo township, Mposa and Amangwe Village takes place every Wednesday. Ward 17 has central collection points (9m³ skips) which are collected when they are full (weekly).

Number of households receiving refuse collection

Item	Total number
Households	22090
Serviced households	6481
Un-serviced households	15609

There are about 43 strategically distributed waste Skips to address central waste collection service in certain rural areas. Areas outside the CBD have been provided with bulk waste skips for central point collection (2,3,5,6,14, 16 and 17).



Waste Collection Map

The Municipality has one compactor truck, one skip loader truck and two flatbed truck. King Cetshwayo District Municipality has officially donated a flatbed truck to the uMfolozi LM.



Flatbed truck officially donated to uMfolozi Local Municipality

The Municipality therefore has a total of 4 waste trucks. A truck schedule is used to monitor waste collection and disposal.

COMPACTOR TRUCK- NRB 91185	
Monday	KwaMbonambi Town
Tuesday	Mzingazi
Wednesday	Slovo Township, Mposa and Amangwe Village
Thursday	Mzingazi
Friday	Mzingazi
Sunday	Mzingazi

FLAT BED TRUCK- NRB 82097	
Monday	KwaMbo Town
Tuesday	Mzingazi
Wednesday	Mzingazi
Thursday	Transfer Station
Friday	Transfer Station
FLAT BED TRUCK- NRB 22313	
Monday	KwaMbo Town
Tuesday	KwaMbo Town
Wednesday	Mzingazi
Thursday	KwaMbo Town
Friday	Mzingazi
SKIP LOADER TRUCK- NRB 40912	
Monday	Ntambanana
Tuesday	Ntambanana
Wednesday	Slovo Township
Thursday	Transfer Station
Friday	Transfer Station

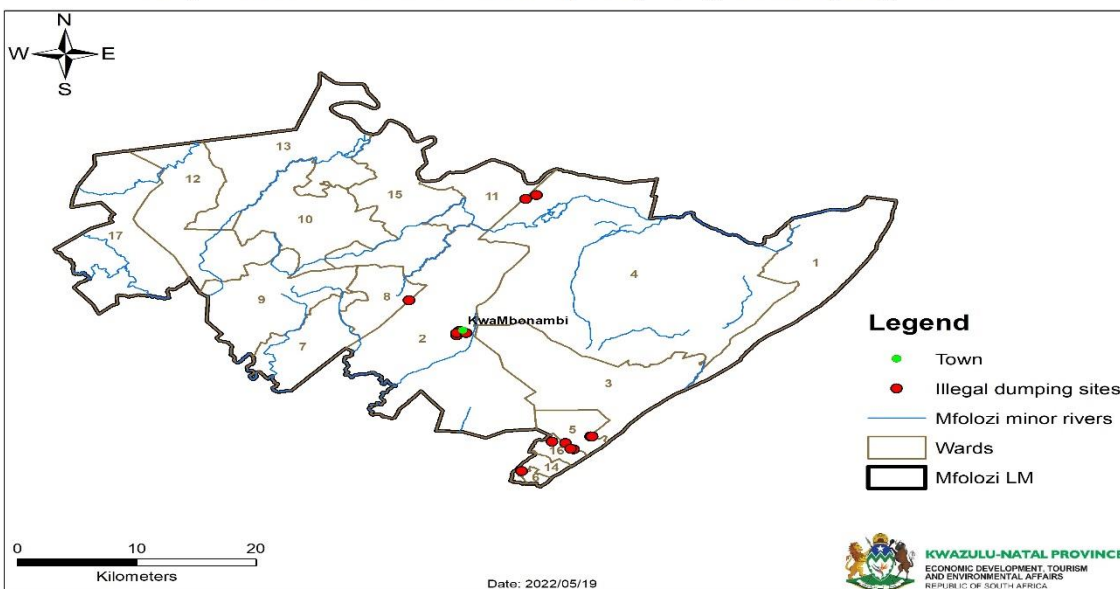
After collection, waste is disposed at the King Cetshwayo Landfill site (permit number 16/2/7/W122/D1/Z1/P485). All waste disposal is reported under SAWIS- registration D00169-01.

The Municipality has a number of illegal dump sites in ward 2, 8, 5, 11, 16 and 6. More skip bins need to be procured to eradicate illegal dumps and ensure that the communities have sufficient central disposal points.



Illegal dump site

Map Of Mfolozi Local Municipality Illegal Dumping Sites



Map of illegal dump hot spots

Street cleaning and waste collection at KwaMbo Town and Slovo Township is done by 2 General Workers and 9 EPWP participants. Ward based cleaning is done by EPWP participants and 600 CWP participants. Since the national lockdown, the population that visits KwaMbonambi town has grown since people from different locations (including Ntubatuba, Skawini and Nseleni etc.) utilise the Post Office for social grants. People from various areas even sleep at the taxi rank which results to uncontrollable waste accumulated in that area.

The Municipality has a transfer station, license number- KZN/DC28/020/UMF/REG/2020 that is utilised by the residence for the temporal disposal of garden refuse. In 2021/2022 financial year, the Transfer Station generated a revenue of R 68 720. Some of the garden refuse disposed at the transfer station is used by the community to make coal and traditional meat platters.



Waste Transfer Station

The Municipal Integrated Waste Management Plan was adopted by Council in March 2020 and endorsed by the MEC of Economic Development, Tourism and Environmental Affairs.

The Municipality received a letter of recommendation by the MEC to purchase a compactor truck, utilising 5% from the 2021/22 MIG funds for 2021/2022 financial year. However, due to project prioritisation, this commitment was moved to 2022/23 financial year.

The Department of Economic Development, Tourism and Environmental Affairs granted 20 recyclers from uMfolozi Municipality PPE.

Further to that, the Department of Economic Development, Tourism and Environmental Affairs introduced a 1000 Jobs in Waste Programme for a duration of 2 months. The programme will continue for a duration of 6 months in 2022/2023.

WASTE MANAGEMENT AWARENESS CAMPAIGNS

Waste Management is one of the back to basics initiative to educate our communities on best practices to manage waste. Waste handling is one very vital aspect as it requires attention from the point of generation

to storage, transportation to the last resort of disposal to avoid exposing people to health hazards and protecting the environment.

ENVIRONMENTAL AWARENESS CAMPAIGNS

Communities within uMfolozi jurisdiction still have challenges of waste management and require a lot of attention and awareness to ensure a safe and healthy environment for all.

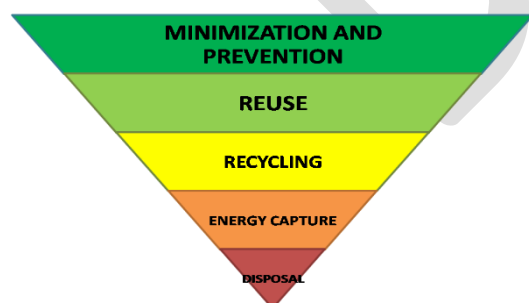
Cradle to Grave

Communities and Schools were educated about the Cradle-to-Grave approach where they were made aware of waste treatment or handling from the point of generation and that the generators of waste are each individual therefore it is everyone's responsibility to clean the environment. The communities need to securely store waste as proper storage may prohibit any bacteria or illness or flies. Emphasis was put on the storage as the community needs to understand that some infections or illness are not caused by health-related issues but rather the mismanagement or poor storage of waste. The communities were encouraged to ensure that their bins are closed at all times to avoid bad odour and the spillage of waste. The burning of waste is discouraged as it has climate change implications and affects the ozone layer.

Emphasis was made on the importance of living in a healthy, clean and unpolluted environment, in order to avoid waste related diseases such as vermis (pest) and bacteria.

Waste hierarchy

Furthermore, the waste hierarchy was educated to community members.



The disposal of waste should be the last resort as we are striving towards the Polokwane Declaration that talks to 0% waste to landfills by 2022. Almost all waste that is produced in our households is reusable or

recyclable (paper, cardboard, food cans). Organic waste can be used to fertilize the soil for gardening purposes.



School Awareness Campaigns

School campaigns aim at grooming the fresh minds from schools about living and learning in a clean and a healthy environment and educate the learners about recycling opportunities. Awareness also aims at discouraging burning of used materials (books, office papers, cardboard boxes, magazines etc.) in schools which is a negative contribution to climate change and global warming. Learners were educated about the importance of Environmental well-being and recycling opportunities that are available in the waste industry. Proper storage of waste and that bins must be kept closed at all the times was emphasized to avoid flies and bad odour for hygienic purposes. Clarity was made to the learners about the disadvantages of litter or of an unhealthy environment that it results in the following: pollution, healthy hazards, harm people, harm animals and the environment and it makes the school looks untidy.

Learners were educated that good waste management follows 4Rs: Reduce, Reuse, Recycle and Recover, as well as avoiding illegal dumping and littering. Elaboration was made that waste harms the environment and human beings. Learners were made aware about the types of waste the schools produce, such waste include food waste/leftovers, recyclable papers (books, cardboards, white office paper and mixed paper)

plastics and water bottles. Almost all waste that is produced in schools is reusable or recyclable and organic waste can be used to fertilise the soil for garden related purposes.

Learners were made aware about the vitality of recycling and clean-up campaigns that it results in human health, environmental well-being and potential job opportunities that are available. Illegal dumping of waste within households and community members burning waste, were identified as the major problems within the communities.

Community Awareness raised educated about the negative impacts of dumping in non-designated areas and encourage the community members to report any illegal dumping activities taking place in their area. This serves as an initiative to involve the community in waste minimisation and the eradication of illegal dumps within their community. The members of the public must understand that the management of waste is not the sole responsibility of the municipality hence they should also be part of the solution towards ensuring a clean and healthy environment for all.

CLEAN-UP CAMPAIGNS

Clean-up campaigns are a back to basics initiative as the Bill of Rights states that: Everyone has the right to a Clean and Healthy Environment. In terms of the National Environmental Management: Waste Act, 2008 (Act No.59 of 2008) states that the Municipality must make provision of waste collection services to improve the quality of life of the entire community and ensures a clean and more acceptable place to live and work in. More than 4 Clean-up Campaigns were conducted in 2021/2022.

The objectives of clean-up campaigns are as follows:

- To minimize illegal dumps
- To create a clean and healthy environment
- To have a joint initiative to clean the communities
- To attract tourism
- To attract new businesses



Clean-up Campaigns

3.6. Housing

INTRODUCTION TO HOUSING

The Municipality had only 1 housing project due to non-availability of funds. The Department Human Settlement promised to fund 2 housing projects in the municipality in 2020-2021 financial year. The Municipality is not yet accredited to provide human settlements hence there is no internal budget set aside for housing section or for the provision of housing.

Capital Expenditure 2018/19: Housing Services R'000					
Details	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original	Vacancies to Budget %
Total All	R40 296 558.00	R0	R40 296 558.00	0%	
Dondotha Housing Project	R40 296 558.00	R0	R40 296 558.00	0%	

3.7. Indigent Support

In terms of the South African Constitution all consumers should have access to basic services.

Currently, the free basic services provided to the domestic consumers within the uMfolozi Municipality area are as follows: -

- Free minimum water (6 kiloliters per month) for all household consumers – this service is provided by the King Cetshwayo District Municipality
- Free distribution of electricity to Indigent households – Eskom. There were 4142 households that benefitted from the free basic services in the year under review. Eskom depends on the Municipality to submit the list of Indigent consumers in order for them to receive the free basic electricity.
- Refuse removal Services to households in rural areas and indigent households in urban areas.

Component B: Road Infrastructure

INTRODUCTION TO ROAD ROAD INFRASTRUCTURE

The Municipality has developed a road and Infrastructure maintenance plan using a backlog study done in the 2017/18 financial year and was adopted by Council to be implemented in the 2019/20 financial year going forward. The maintenance plan is focusing on rural roads, which involves grading of access roads under uMfolozi Local Municipality rural areas.

3.8. Transport

The municipality does not provide transportation to the community. However, the traffic officers ensure the safety of transport utilised by the community through roadblocks and stop & check of transportation.

3.9. Roads

INTRODUCTION TO ROADS

The Municipality own a total of 625km of gravel road. The Municipality maintained a total of 620.5 km of gravel road in the 2021/2022 Financial Year. The Municipality has developed a road and Infrastructure maintenance plan using a backlog study done in the 2017/18 financial year and was adopted by Council to be implemented in the 2019/20 financial year going forward. The maintenance plan is focusing on rural roads, which involves grading of access roads under uMfolozi Local Municipality rural areas.

Gravel Road Infrastructure					
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
2019/20	500.65km	7.4km	Nil	225km	
2020/21	504.5km	3.4km	Nil	501.5km	
2021/22	625km	13.8km	Nil	280km	
Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2019/20	16.5km	Nil	1km	Nil	Nil
2020/21	16.5km	Nil	Nil	Nil	Nil
2021/22	16.5km	Nil	Nil	Nil	Nil

2020/2021 PROJECTS

Rose Mthethwa Access Road (1.4 km)

Thunuka Ndabazabantu Access Road (2.5km)

Sbululwane Access Road (2.8km)

Zilahle Access Road (3 km)

2021/2022 PROJECTS

The following projects were constructed and completed during the 2021/2022 financial year:

Ntongonya Access Road (2.8km)

Mpumelweni Access Road (2.5km)

Ntinkulu Access Road (1.4km)

Nhlanzini Access Road (1.2 km)

Ekuvukeni Access Road (1.25km)

Kwalayini Access Road (3km)

The Construction of the following roads that were planned for 2022/2023 commenced during the 2021/2022 financial year due to the additional 15 million that was received from MIG:

- Bumbaneni Access Road (2.9km)
- Zilahle Access Road (3km)
- KwaMdladla Access Road (2.4km)

Component C: Planning AND Development

3.10. Planning

INTRODUCTION TO PLANNING

Town Planning is a unit within the Executive and Council Department that deals with spatial planning and land use management within the municipality. The unit's service objective is spatial effectiveness and justice through the development, management and enforcement of an effective spatial planning and land use management system. The unit specialises in developing long term development framework plans for the municipality, it uses GIS to reflect such plans. It also receives, processes land development applications according to approved development plans and facilitate decision making on the applications. The unit also regulates and ensures compliance with spatial planning and land use management legislation. To strengthen the effectiveness of the unit, targets set include increasing the number of development applications received and processed within legislated timeframes and also attend the Municipal Planning Tribunal Meetings to ensure that decisions are made on land development applications.

3.11. Local Economic Development

INTRODUCTION TO ECONOMIC DEVELOPMENT

The uMfolozi Municipality has identified the need to review the existing LED strategy that was adopted by Council in 2016, solely with the intention of producing a plan that is credible, implementable and which identifies projects of a catalytic nature, therefore, Municipality has taken an initiative to appointing a service provider during 2019/2020 financial year. The Consultant failed to deliver up to the expectations (drafting an LED Strategy) which led to the Strategy not approved by Council.

The Municipality has experienced significant growth and a number of new development opportunities have arisen. Accordingly. That are projects that will have a meaningful impact on the local economy of uMfolozi and subsequently address the nation-wide triple challenges of unemployment, inequalities, and poverty.

It is noted with concern that, the municipality has not yet managed to package and implement high impact programmes with a capacity to create to attract strategic investments thereby create local employment and empower local entrepreneurs.

In the main, we seek to draft a strategy which provides a clear path for urban development, rural industrialization, tourism promotion, agricultural development, services sector improvement as well as trade and industry growth.

As the municipality we take cognizance of our immediate economic challenges ranging from the lack of ownership of suitable land for town and urban expansion, congested informal trading space in KwaMbonambi, lack of packaged industrial oriented projects, minimal agro-processing of local produced

vegetables as well as our failure to take advantage of local natural resources. The Municipality is cognizant and appreciative of other developments and initiatives from various departments that are concerned about socio-economic ills of uMfolozi. Hence, the compilation of this strategy is meant to serve as a tool of strategic integration and alignment of programmes and resources between the stakeholders thereby improve both public and private investments impact in uMfolozi.

The municipality is one of the poverty-stricken rural municipalities in the province and as a way of reducing its effect, local economic development (LED) initiatives are a priority for Council. The main aim of LED is to create jobs by making the local economy grow through attracting more businesses (trading and investment) in the municipal area and providing capacity to the active population in the area.

OPPORTUNITIES

- ❖ The location of Owen Sithole College of Agricultural within our jurisdiction for the provision of technical training to local farmers.
- ❖ Financial Support from RBM.
- ❖ Infrastructure development in CBD (i.e. building of SMME facility creates opportunities to young people and upcoming service providers).
- ❖ Commercialisation of essential oil production.
- ❖ Space for economic development in secondary nodes
- ❖ Partnering with Higher Education Institutions for both research and skills training purposes.
- ❖ Proposed SMME Market Centre along N2

CHALLENGES

- ❖ Improving the prominence of Local Economic Development in the Municipality
- ❖ Creating the balance between the responsibilities of Local Economic Development and
- ❖ Regulation of economic activity
- ❖ Facilitating interactions and collaborations amongst LED stakeholders
- ❖ The unfavourable Economic Conditions: Globally, Nationally and Locally
- ❖ High unemployment rate
- ❖ Low educational and skills levels
- ❖ Insufficient Local Economic Development Funding
- ❖ land Availability for the economic development catalytic projects

Agriculture

The agricultural sector is currently the major economic sector in uMfolozi Municipality. Agriculture is regarded as one of the key drivers of the local economy growth. The adopted agricultural sector plan serves as the guiding document on agricultural development and is envisaged to contribute towards reduction of unemployment and poverty particularly in the rural areas through its implementation and sustainability. The Municipality in collaboration with the KZN Department of Agriculture and Rural Development (DARD) are working hand in hand to strengthen and promoting local economic growth. The municipality was able to assist to 1 Agricultural project by providing the agricultural material during quarter 2 and has made as assessment to procure another agricultural material (seedling, garden tools & watering cans) for all wards to implement the 2 Agricultural projects planned for the 2020/2021 financial year and by the Municipality and DARD. The agricultural material was successfully procured in April and May 2021 but was not delivered to the Community due to the National Lock-Down restrictions that restricted the gatherings. The material is stored within the Municipality and will be delivered to the community in December 2021 subject to the easing of lockdown restrictions.

Tourism

The sector has been severely affected by the Covid 19 pandemic, the municipality has seen few tourism businesses closing down and some are currently on sale (e.g. Marob Lodge). The development of the Tourism Development Plan which was adopted by the Council in September 2017 is slightly yielding good results. The Community Tourism Organisation (CTO) as the tourism marketing structure within the municipality is functional and pushing the marketing even during the pandemic by trying the marketing initiatives. The closing down of Marob Lodge has resulted in the establishment of the new Committee which will be established in the next financial year. The municipality currently has limited tourism products and services. However, based on the natural and cultural resources available in the area, the municipality does possess potential to develop tourism. The municipality initiated the programme of developing the tourism marketing brochure as envisaged by the plan.

Informal Economy

The Municipality has organized informal actors/traders in order to minimize the number of illegal street trading activities and enforce by-laws in KwaMbonambi town by issuing annual trading permits. The municipality completed the project of refurbishment of Mbonambi taxi rank market stalls with the financial assistance from KZN CoGTA and further procured padlocks for all the market stalls. The market stalls are allocated to compliant trader annually.

SMME & Co-operatives

The municipality recognise the importance of supporting and strengthen SMME & Co-operatives development as one of the mechanisms that can yield to job creation and poverty reduction. The red-tapes encountered by Small, Medium and Micro-sized Enterprises and Co-operatives continue to limit the participation of SMMEs and cooperatives in the mainstream economy. The municipality in trying to resolve those challenges encountered by SMME's often coordinate workshops and trainings in partnerships with external stakeholders.

The Municipality creates opportunities for Small, Medium and Micro Enterprise (SMME) development through the following interventions:

- Availing business space/premises at the Bus & Taxi Rank in KwaMbonambi town.
- Training and development of SMME's.
- Business Marketing.
- Market Linkage

COMMENT ON LOCAL JOB OPPORTUNITIES:

uMfolozi Municipality is still experiencing a minimal growth due to the limited economic spinoff/activities. The Forestry sector plays a reasonable role in employing the local communities. The presence of the mining company within our jurisdiction also adds to job creation both short and long term. The Tourism sector also plays their part in job creation. The Small, Medium and Macro Enterprises including the Informal sector has seen the improvements with the economic spinoffs that are undertaken.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

SMME DATABASE is being update annually.

Contractor development programs held:

Microsoft Digital literacy training was aimed for all wards, however, only 4 wards were trained from the 9th to 10th of June 2022. Training was coordinated by the Department of Economic Development, Tourism and Environmental Affairs and facilitated by NEMISA.

AGRICULTURAL PROGRAMMES/ PROJECTS ASSISTED

The Department of Agriculture and Rural Development (KZNDARD) uMfolozi local office and the municipality convened the farming cooperatives information day targeting the Sokhulu farmers. The event

was held on the 05th of November 2021 at Sikhangane Hall (ward 04). The initiatives were an Information Day on crop production and Maize Demonstration. The municipality during the event handed-over the following seedlings: -

5 trays X Cabbage

5 trays X Beetroot

5 trays X Onions

5 Trays X Spinach

5 sachets X Carrots

5 X 25kg White maize seeds.

The Municipality further assisted the small-scale farmers who are specialising in farming Dry beans, the farmers were supported with the procurement of 25 kg dry beans seeds, one farmer is from ward 15 and second projects is based at Elanjini area under ward 05. The municipality further assisted the Ntuthunga garden project situated at Ward 13, the project was assisted with land preparation using the municipal TLB and farming tools such as forks, hand spade, watering cans and handheld hoe. The project has a land availability amounting to 720ha; however, the beneficiaries were advised to consider starting with the 50ha land being cultivated and fenced. The project is still requiring the fencing intervention

The municipality further procured the maize seeds and fertilizers that were handed over through various municipal public engagement such as IOP engagements meetings and municipal events such as the Thusong Centre hand-over event and all other events held during the month of October 2021

MAYORAL PROJECTS

Mayoral Projects is seen as one of the most important ways of decreasing poverty. Local economic development must aim to create jobs by making the local economy grow. This means that more businesses and factories should be started in the municipal area. As part of the IOP, key stakeholders in a municipality must come together to reach agreement and take decisions to make the economy grow and create income opportunities for more people, especially the poor.

National government makes policy and provides funds, research and other support for local economic development. Municipalities decide on Mayoral Projects, LED strategies and the process of arriving at a LED strategy must be part of the Integrated Development Planning (IOP) process.

The Mayoral projects should be based on the overall vision outlined in the IOP and should take into account the result of the analysis done to identify problems and prioritise development projects. It should also look at things like integrating our residential and work areas, building development corridors between areas and supporting the economy with good public transport.

The following are some key strategies that a municipality can put in place to meet its goals in providing Mayoral projects to the people:

- Developing the infrastructure of the municipality to make it easier for businesses to operate. This is mainly addressed in the IOP of the municipality. Whilst it contributes to providing better living conditions it also creates an environment that promotes economic growth.
- Promoting tourism, which currently is one of the biggest growth industries in 'South Africa. This includes developing local tourist sites and facilities, improving security and ensuring that all residents are welcoming of tourists.
- The municipalities tender and procurement policies must favour small contractors and emerging businesses. Where these companies cannot provide the required services, steps must be taken to get larger companies to enter into joint ventures with smaller partners.
- Marketing the municipality, its infrastructure and people to local and international businesses. This can be combined with service centres that provide assistance and information to businesses that wants to start operations in the municipality.

QUARTER ONE (JULY TO SEPTEMBER 2021) MAYORAL PROJECTS BENEFICIARIES:

1. Ward Beneficiary - Ward 04 Izandla Ziyagezana Co- operative

Equipment's benefitted:

1. 2 pole tents with 50 chairs,
2. 2 (80ltr) pots
3. 3 plate gas stoves,
4. 4 Chaffing dishes,
5. 50 plates,
6. 2 foldable tables.

2. Ward Beneficiary - Ward 08 Zonza Co-operative

Equipment's benefitted:

1. Four (4) sewing machines,
2. 2 foldable tables.

3. Ward Beneficiary - Ward 05 Nhlanzini Co-operative

Equipment's benefitted:

1. 2 pole tent with 50 chairs,
2. 2 (80ltr) pots
3. 3 plate gas stoves,
4. 4 Chaffing dishes,
5. 50 plates.

4. Ward Beneficiary - Ward 14 Mkhayideni Primary Co- Operative

Equipment's benefitted: Garden tools:

1. 50 kg seeds X4,
2. Spade X5,

3. ForkX5,
4. Wheelbarrow,
5. Hand fork X5,
6. WoodhoeX5,
7. Steel rake X5,
8. Watering cane.

5. Ward Beneficiary - Ward 14 Arsenal FC, Copas FC, Tigers FC.

Equipment's benefitted: Soccer kit and soccer ball, Soccer Kit and soccer ball, Soccer kit and soccer ball.

Component D: Community and Social Services

3.12. Libraries and Community Facilities

INTRODUCTION AND BACKGROUND OF THE ACTIVITIES, OPERATION, (PROGRAMMES) CONDUCTED IN 2021/2022 FINANCIAL YEAR.

Library Services is responsible for improving public library access to all communities. This is done by developing and sustaining a culture of reading and the provision of access to information of all throughout and province of Kwazulu-Natal.

The library unit provides library services support to all spheres of the community that includes schools, tertiary students, employees of all public and private sector, researcher's, job seekers, and early childhood development. The library services unit formed the basis of a cooperative partnership between department of education and local government, each contributing to providing library services to communities to ensure that the information and recreational needs of all people is fulfilled. Services offered by library services unit included:

Study Facilities: - Study areas which members of the public can used for study purposes in groups or individually.

There were currently several socially distanced single study spaces available to book across the library, with also an option of reservation through the study space bookings calendar via slims. Our library study areas have been useful to the community especially patrons who came to study as groups because we had big and long tables. There were times where we had no group study areas available in the library due to covid 19 pandemic - this changed later on as covid 19 restrictions were lifted Planning to study in the library, one must be aware it may be a little chillier than usual. Here are some final things one must know:

There were currently limits to the number of spaces to be booked per week and later changed to unlimited.

The library is fully cleaned every day before opening. Cleaning materials were also provided for cleaners to clean study space before and after use.

We were not offering group study, due to covid-19 but as the restrictions were lifted, the policies later changed.

Students were encouraged to use the online services when the study area was all occupied, the library had guest Wi-fi to support the students when the study areas reach its sitting capacity.

COMPUTER SECTION AND FREE INTERNET CONNECTION

Library as a physical facility continues to be much valued and will remain so for the foreseeable future. The role of public library as a centre for getting knowledge and information, for recreation purposes or as a social institution, remains a paramount importance. Therefore, books will continue to be the main resource in our libraries though the internet and e-resources need to be integrated into our scheme of things since they have advantages because of quick search and dissemination.

The value of public libraries is, in one way, dependent on how well they perform their role, in other words, how well public library services meet the needs of their communities and how the impact they make is valued by the citizens and the communities they serve. Public libraries are being reinvented. They are increasingly seen as the shared ground in an increasingly diverse society, a place where the whole community can feel a connection. They also provide the vital link to our digital future.

Public libraries were once feared to be headed for obsolescence as the digital age made massive amounts of information accessible from a home computer. But now, in addition to helping patrons/users find the latest novel, libraries have adapted and prospered by offering perks like free internet access, computer skills classes and assistance in navigating the flood of resources on the Internet. But for many, it's all about the Internet, which has turned out to be an advantage for public libraries. While most people surf online at home, most don't have Internet access. Serving that population should be part of a public library's critical mission. The public libraries have computer sections run by professional cyber cadets, as the section has been outlining above, this section has played the critical role to the community they serve. There are many people who visited the library in the past financial year to:

Print documents

Photocopy

Type Curriculum Vitae

Send e-mails

Do quotations

Surf the internet

To write test/exams online

Study online to name the few.

The above also falls into the category of the main functions performed by computer section in the past financial year 2021/2022. The attendance registers if need to be attached on these reports can serve as the evidence of what has been disclosed by these sections above.

The cyber cadet has also visited schools to conduct awareness of the computer section, this was done to promote the section to the community, reason being to make the members of the community to be aware of the services offered by these sections within the public library which some are free and some offered on a reasonable price as compared to the internet cafes located in our nearby towns. The 2021/2022 tariffs were:

Photocopy A4 black.....R 1.00
 Photocopy A4 Colour R 2.00
 Photocopy A3 black.....R2.00
 Photocopy colour..... R3.00
 Laminating..... R5.00
 Binding..... R5.00

The figures as to how much was collected from the above-mentioned traffic were not collected to revenue.

Free Internet facilities: – internet access for public usage was available and will continue to be available without a charge. Users may only be charged for printing. The computers were for use of the community members of all ages.

WI-FI IN SOUTH AFRICAN PUBLIC LIBRARIES!

Most public libraries in South Africa currently have internet access for their users/patrons. History dictates, South Africa has followed the developments of the European and American libraries for many years. Even though a few years behind other public libraries in the world...public libraries in South Africa should investigate the viability of implementing free wireless internet access in their libraries.

Advantages of Wi-Fi

No Maintenance (hardware and software).
 No risk of theft (no PC workstations or kiosks).
 No waiting for public internet PC or Kiosk.
 No enforced time limits (connect for as long as you like).
 Less staff impact (enforced register, regulate time limits, user assistance).
 User/patron downloads and save files permanently to their laptop/notebook.
 Better utilization of floor space.

LIMITATIONS OF WI-FI

Signal strength varies within the library. The library provides and maintains this wireless network as a public service. Patrons were responsible for the setup and configuration of their own (Wi-Fi) laptop/notebook. Library staff should not assist in setting up laptop/notebook to work with the wireless network. KwaMbonambi library now has the internet and WIFI for the community

Toys Facility: – libraries are situated close to early childhood development centres to support the development of literacy and numeracy skills. The aim of this project toy library was to allow young children to access a collection of educational toys in order to stimulate the development of the different abilities at the appropriate stages. This stimulation was also intended to promote the acquisition of reading skills that would contribute eventually to the establishment of a lifelong reading culture. Although uMfolozi Municipality have the toy library, this service was put on hold due to Coronavirus pandemic.

PROGRAMMES

Reading Programme: – Library unit has programmes to promote a culture of reading which is accessible for communities in the libraries. The programme also improves children's functional reading skills.

On the 18th of February 2022 Mzingazi Library staff visited Mzingazi Primary School in Mzingazi Reserve Ward 6 for World Read Aloud Awareness its was hosted by Miss NB Mpanza (Mzingazi Librarian), Miss V.P Cele (Mzingazi Library Assistant) and Miss M.P Mpanza (Mzingazi Library Assistant). World Read Aloud Day celebrated on the first Wednesday of February. The World Read Aloud Day aim was about celebrating the power of reading aloud and encourages children and adults to grab a book, find an audience and read aloud.

AIM OF WORLD READ ALOUD PROGRAMME

Mzingazi Miss N.B Mpanza Librarian outlines the following purposes of World Read Aloud Day or the benefit of read Aloud:

- ☐ Reading aloud helps students and learners to learn how to use language to make sense of the world and it improves their information processing skills, vocabulary, and Sharpened focus, Improved vocabulary, Increased comprehension, strengthened listening skills, Intrigued young minds and communication skills.
- ☐ Reading aloud helps improve language and expression, which will then transfer into speaking voice and writing voice. Expose them to new concept
- ☐ Reading aloud is a wonderful tool to help the user learn to read smoothly and build fluency skills, continuity and confidence.
- ☐ Reading aloud helps a learner cultivate internal listening skills, which in turn assists in discovering y unique writing voice.
- ☐ Reading aloud sharpens ear so that learner can able to detect authentic dialogue and flowing narrative. Develops their social skills.
- ☐ Reading aloud improves spelling. Sounding out words, detecting syllables, and visually connecting to the words. All of these processes enhance spelling awareness.
- ☐ Reading aloud improves your visual memory and ability to see images in mind

WORLD READ ALOUD ACTIVITIES

During World Read Aloud Event Mzingazi Primary learners were very excited to be the part of a programme. The most targeted class were Grade 7 due to Covid 19 Regulation and the number of students attended programme was 210. For participation selection Mzingazi staff only selected two students per class for Reading participation. During read aloud competition adjudicator was teacher and Mzingazi staff. The participant who did well receive a gold trophy for Reading Aloud and others participants received Library promotional pack.

Mzingazi learners got a chance to ask so many questions related to library services

During Read Aloud: Grade A to D were participate to Read Aloud

THE WINNER 2022 WORLD READ ALOUD 1ST POSITION

Miss Amahle Nzuza won a World Read Aloud trophy

World Read Aloud Day

KwaMthethwa Modular Library on 11 March 2022 conducted World Read Aloud at Enhlabosini Primary School and New Phathane Primary School respectively. World Read Aloud Day is a sustained initiative to promote a culture of reading aloud with children among families, parents, caregivers, educators, and society. According to Nal'ibali (Nansi Indaba) a reading champion/ organisation, in 2021, the campaign, together with its partners, read aloud to over 3 million children. The growth of this initiative suggests that South Africans have embraced the call to read aloud on the day. Reading is the foundation of education, and Nal'ibali works hard to promote reading and literacy throughout the year.

As opposed to previous years when Libraries and Nal'ibali focus has been on increasing the number of children being read to on WRAD, in 2022 the target remains 3 million children. However, the NGO aims to sign up 1 million families, with the help of partners such as Standard Bank, Liberty Community Trust, VW and City of Cape Town Library and Information Services to commit to reading regularly to their children over the next three years, starting on WRAD.

Library week: – is celebrated during the last week of March. During this week the range of services, programmes and projects are available and being promoted at libraries.

Library programs assist in enhancing common goals and ambitions, sharing best practice, contributing to strong communities, valued by people and government, continuing to provide universal free access to information, knowledge and ideas, and confirming the importance of their role for future generations.

Public libraries offer wide range of vital community programs and events, including digital, library week and early childhood literacy, job seeking skills, workforce development and opportunities for life-long learning. To assist through the provision of relevant materials as well as active support, assist educators in becoming knowledge navigators who can exploit information to meet the needs of the scholar. To prioritise the study and information needs of scholars, especially in the subject field of science, technology and mathematics. To work towards providing a world class technological infrastructure that will ensure Internet access for the library user and will allow for the extensive use of electronic based information. Our focus will be mainly on the National Library Week as the event that took place at KwaMbonambi.

Public libraries are significant contributors to education, they have over the decades earned the respect of their communities. In an environment where there is a scarcity of material, the library is one of few institutions that have reasonable access to material within the context of restricted availability. Libraries have the potential to access material from other libraries. Further, in an environment of limited finances, it is incumbent for libraries to be ingenious in attempting to bring as much information to their user community as possible. Libraries have access to expertise – personnel who have the training to retrieve information and to package that information in a format that is easily adopted by the information seeker. Libraries also have the infrastructure to acquire, process and make available information to end-users.

BACKGROUND

In the mid-1950s, research showed that Americans were spending less on books and more on radios, televisions and musical instruments. Concerned that Americans were reading less, the American Library Association (ALA) and the American Book Publishers formed a non-profit citizen's organization called the National Book Committee in 1954. The committee's goals were ambitious. They ranged from encouraging people to read in their increasing leisure time to improving incomes and health and developing strong and happy family life. In 1957, the committee developed a plan for National Library Week based on the idea that once people were motivated to read, they would support and use libraries. With the cooperation of ALA and with help from the Advertising Council, the first National Library Week was observed in 1958 with the theme "Libraries Matter!" The 2021 celebration marked the 63rd anniversary of the event.

WHAT IS LIBRARY WEEK?

National Library Week is an annual celebration highlighting the valuable role libraries, librarians, and library workers play in transforming lives and strengthening our communities. This year's theme, Libraries: Libraries Matter! illustrates how today's libraries are at the heart of our cities, towns, schools and campuses, providing critical resources, programs and expertise. They also provide a public space where all community members, regardless of age, culture or income level, can come together to collaborate and learn. South African Library Week 2021, The Library and Information Services sector celebrating South African Library Week (SALW) with the theme: revitalising libraries! from 15 - 19 March 2022.

THE AIM OF THE LIBRARY WEEK AWARENESS.

The aim of library week was to promote library services and support to the community it serves. As KwaMbonambi public library officials, we noticed that children's spend less time on books and more on radios, televisions and musical instruments and that is why Mbonambi staff decided to take library to the community schools to encourage students, learners and community to read in their increasing leisure time to "improving incomes and health" and "developing strong and happy family life." And that is why we motivated them to read and use libraries in terms of developing their reading skills.

On the 7th of March 2022 Mzingazi Library hosted Elderly Library Week Celebration at Mzingazi Public Library in Ward 06. The awareness was attended by Miss N.B Mpanza (Mzingazi Librarian), Miss V.P Cele (Library Assistant), Miss MP Mpanza (Library Assistant) and Mr. Mhlongo (Mzingazi cyber-cadet). The theme of Library Week this year is Libraries: "ReImagine! RePurpose! ReDiscover"

International Literacy Day: – is annually celebrated world-wide in September as part of efforts to promote the culture of reading and writing.

In September 2021 Mzingazi Library Hosted Literacy Day / National Book week and the awareness went successful Library and Time 10:00 am. to 13:00 pm. Officials of both Municipality and Department of Art and Culture attended and other stakeholders

INVITATIONS

Literacy Day Celebration invited the following Department of Arts and Culture, Cotlands and Nalibali. UMhlathuze Municipality Librarian from Aquadene Library, Early Childhood Development, Primary School learners, High School learners, and Youth / Adults, were invited to join Literacy Day or National Book Week Celebration.

OPENING AND WELCOMING

The opening and welcome have done by Miss N.B Mpanza (Mzingazi Library Librarian). Miss N.B Mpanza welcomed everyone who was attended the event, The librarian welcomes all special guests from different Departments (Department of Arts and Culture, Cotlands, Nalibali, Teachers, learners and community etc.) And she also introduced the aim of the event and she also outlines why the event is so important and what the guest and audience should expect from the Literacy Day and National Book Week event celebration.

JUDICATORS OF THE PROGRAMME

Judicators of the Programme were Mrs Z Buthelezi from uMhlathuze Municipality (Aquadene Librarian), Mrs R Naidu Librarian (Promotions Library Services) Miss M. Hlekwayo (Nalibali) and Mr Mbuyazi (uMhlathuze Municipality)

The judge of the event: Mrs Z Buthelezi from uMhlathuze Municipality (Aquadene Librarian), Mrs R Naidu Librarian (Promotions Library Services) Miss M. Hlekwayo (Nalibali) and Mr Mbuyazi (uMhlathuze Municipality)

THE JUDGE WAS FOCUS ON THE FOLLOWING:

Judges were focus on explaining a few things to participants, before judges begin to judge entries, they go through the terms and conditions of the competition, and various rules that govern the contest in a thorough way and they explained what inputs are being provided by a judge, they highlighted to the participants that it is essential part to run successful contests in a fair manner. Judges listed below to the participants that it is most important points to explain the best way to judge a contest:

- ☐ The participants must understand the judgment criteria: It is very important to understand the judging criteria so that the people who are keeping an eye on the entries are able to make a clear and fair decision about how an entry is supposed to be rated.
- ☐ Stick to the rules:
- ☐ Judging in an absolutely unbiased manner

The judges also highlighted that all the participants will receive trophies that symbolise the best competitor in spelling Bee and Poetry and also in Reading completion.

MESSAGE FROM MUNICIPALITY

The message from uMfolozi Municipality done by Mr S.B Dlamini thanked on behalf of uMfolozi Municipality, thanked the preparation and all meetings took place that made the Event successful

During the event Mr SB Dlamini thank all the stakeholders, schools and Community for being a part of the programme

MESSAGE FROM KZN DAC

Miss Nkosi thanked on behalf of Department of Art and Culture for be in partnership with uMfolozi Municipality and also work with Mzingazi Library staff for making the Literacy Day Celebration to become successful

POETRY

Poetry has done by Mr Dlamini Thandokuhle from Young author and Poetry.

During the event Cotlands attended literacy day and National book week celebration to play with children Mr Dlamini motivate the learners about the important of reading and writing

MOTIVATIONAL TALK

The motivation talk did by Mr. Dlamini Thandokuhle highlighted to everyone that reading is for everyone and it is not for students or learners but it is also for elderly so they can relieve stress and brain exercise because they do need to feed their brains with books and they must be able to feel hungry to learn about the world around them. He also motivated the students and learners that book is a gift that anyone can open again and again because Literacy is a bridge from misery to hope, once someone learn to read, that person will be forever free. So, people must attach themselves with habit of reading and write and they must not forget to use internet in order to find information because internet and Microsoft office are very broad

VOTE OF THANKS

Mr Ma-Africa (Programme Director) did a vote of thanks, He express thanks to everyone who attended the Literacy Day or National Book Week celebration.

EVENT GALLARIES

ACTIVITIES OR GAMES PLAYED ON LITERACY DAY CELEBRATION

☐ SPELLING BEE

A spelling bee is a competition help children improve their spelling, increase their vocabulary, and develop correct English usage. It's also help build children's self-confidence and more importantly, they are a lot of fun. Accurate spelling is one of the sub-skills of writing. Contestants must memorize the spellings of words as written in dictionaries, and recite them accordingly.

Nhlanzini Primary School participant in Spelling Bee

Sekusilezulu creche and Hope Day care creche participating all the activities play with Cotlands staff

SPELLING BEE WINNERS

The participants received a champion Cup trophy which was the official championship trophy of Spelling Bee and they also receive books as a prize.

☐ POETRY COMPETITION

The poets perform spoken word poetry before the audience and a panel of judges decided how the participants perform. It was a Stanza Poetry Competition. The entire Primary schools' participants perform well including Nhlanzini, Mzingazi, uMbonambi Primary and the winner received a big trophy.

Mzingazi Primary School participant in Spelling Bee

Mr T Dlamini performing a Poetry and also Motivate the community and students about the importance of writing and reading in nowadays

☐ ENTERTAINMENT

Ezakwazulu Entertainment supported Literacy Day or National week celebration with their sound system in order to entertain all the attendees attended the event. The sound and microphone helped a lot because during the spelling bee, poetry and reading competition it was easy to hear or to understand what the contestant is trying to say. And it was very easy to sing a national Anthem because the sound system was available to assist those who do not able to sang the song.

AWARDED WINNERS

The purpose of the Awards was to make learners feel that their work is valued and shows approval and gratitude for each learner's good job, and it makes learners aware that good work will be rewarded. It shows others, such as the general public and other staff members, that outstanding has accomplishments.

All the participants were awarded with books and Silver Value Trophy with a touch of Gold in different size. Two uMbonambi learners two (2) received Book and the other one received a Silver Value Trophy

with a touch of Gold. eNhlanzini Primary School participants five (5) were awarded, three participants received books in Reading Competition and one eNhlanzini students received Silver Value Trophy with a touch of Gold in Spelling Bee and other one received Silver Value Trophy with a touch of Gold in Poetry Competition.

Ezakwazulu entertainment group were entertain all the attendees

uMbonambi Primary School: Miss Philile Hadebe received 1st place Silver Value Trophy with a touch of Gold for Spelling Bee competition and Miss Zinhle Shandu win a Book for a 2nd place for a Book for Reading competition Hade be

Nhlanzini Primary School: Miss Sindi Cele received Silver Value Trophy with a touch of Gold for Poetry competition and Miss Sphelele Mbuyazi win a 1st place Silver Value Trophy with a touch of gold Reading competition for

MEDIA

Miss N.B Mpanza (Mzingazi Librarian) was interviewed by the journalist about the Literacy Day or National book Celebration. Miss Mpanza stated that it wasn't easy but with God everything went successful and the stakeholders, ECD teachers, community , and learners had fun and gain a lot about the programme and Miss Mpanza said that if somebody is illiteracy can lose so many things and opportunities in life by Lack of books at home and lack of stimulation as to the importance of reading; Doing badly at or dropping out of school many learners have not completed high school; Difficult living conditions, including poverty, being Illiteracy affects an individual in all areas of peoples life and illiterate individual cannot read and write, and thus cannot join the workforce or may work as unskilled labour, lack awareness to make an informed decision which affects them and their community. So, it is very to teach ourselves to able to read or write in nowadays.

REMARKS

As the Covid19 pandemic took the event managed to take place, all the protocols and regulation rules were strictly. In top of above to host the Literacy Day celebration was a blessing and the programme was very, successful, informative, motivational and educational and lot of attendees gain a lot of information and knowledge. The whole event was excellent and the community was very excited to have an event like Literacy Day and national book week, community kindly requested the Mzingazi Librarian to keep on hosting the educational event like Literacy Day and National book week celebration.

Story-telling- a unique way for students to develop an understanding, respect and appreciation for other cultures, and can promote a positive attitude to people from different lands, races and religions.

STORYTELLING HELD AT SEKUSILEZULU CRECHE

On the 20th of October 2021 Mzingazi Library staff Miss N.B Mpanza (Mzingazi Librarian) and Miss V.P Cele visited Sekusilezulu creche for Storytelling programme which was listed on SDBIP Target for uMfolozi Municipality Library Services Programmes. The story Titled: Nami Anginasici by Martie Preller.

Ms. Cele told a story to children and Ms. Mpanza did a Book Review and informs children how to apply for membership cards.

THE ORIGINS AND DEFINITION OF STORIES AND STORYTELLING

Stories and the telling of stories have probably been with us since the beginning of human existence - in one sense stories and storytelling help to define the nature of humanity. Stories, including myths, legends, and folktales (McLellan, 2002; Reamy.)

The word „story“ has its origins in the 13th century, with roots in both French and Latin, and literally means an account of incidents or events. A story may be a fictional narrative shorter than a novel or a recital of real or imaginary happenings. It has synonyms in narration, narrative, tale, and yarn (Merriam-Webster's Collegiate Dictionary, 2002).

AIM OF STROYTELLING

The aim of storytelling visit was to promote the enjoyment of reading and develop their reading skills and explain to children that storytelling will help them in terms of vocabulary, comprehension, sequencing, memory and creative writing all benefit from storytelling and highlighted that storytelling improves listening skills that is essential in learning and in relationships.

Miss Cele also specifies to Sekusilezulu learners that they must learn to be creative, learn to think and learn to solve a problem, listen sounds, words and language and learn to value books and stories. Spark their imagination and stimulate curiosity because storytelling will help their brain, in social skills and communication skills development and also help them with vocabulary, comprehension, sequencing, memory and creative writing all benefit. Miss V.P Cele read the following book: Nami anginasici (IsiZulu) Paperback – Student Edition, 14 February 2008 by Martie Preller (Author) and illustrated by Ian Lusted.

NAMI ANGINASICI STORYTELLING

SET UP OF STORYTELLING

The storytelling took place in Sekusilezulu creche in Ward 6. Mzingazi Staff decided to use open space venue due to Covid-19 regulation. The format of storytelling was Oral and written form, through images, using drama and the size of the audience was 4 to 5 years old children.

BENEFIT OF STORYTELLING

Whatever the use (or purpose) of the story, there may be a number of benefits to be achieved. For example, significant benefit can come from the use of stories to share knowledge and meaning and stories allow the communication of complex ideas in a simple, memorable form. As follow:

- ☐ Simple to communicate a message
- ☐ Message is memorable
- ☐ It is fun to work with stories)
- ☐ A powerful means of generating

□ Ability to communicate quickly, naturally, clearly, truthfully, collaboratively, persuasively, accurately, intuitively, entertainingly, movingly, feelingly, interactively through the use of stories more than by other means

Story telling book Nami anginasici (IsiZulu) Paperback – Student Edition, 14 February 2008

By Martie Preller (Author)

BOOK REVIEW OF MINA ANGINASICI

Summary: The book's genre is Zulu Picture book, perfectly tells the story of a messy young boy who has a neat and tidy sister. With some effort he manages to become clean, but is still a little untidy. He decides that his sister may be perfect, but that he is perfectly himself. the story is about two siblings a girl named Ayisha and her brother's name was Sipho. Between the two siblings, Sipho never wanted to clean up his room nor take a bath he was always lazing around while Ayisha was always clean and neat. The Siblings' mother loved the children equally. In Sipho's room there were dirty plates with leftovers. One day Sipho came crying to his mother, saying there was something on his pants, there was a rat hanging into his pants. Then Sipho thought that his mother does not love him like his perfect sister, and then decided to take a bath and clean his room. His mother and siblings were very excited to saw Sipho clean and smell nice perfume.

Lesson: Always know that your parents love you no matter what, but love yourself first by practicing good hygiene it is necessary for the healthy and strong body.

LIBRARIAM MOTIVATE CHILDREN

Miss N.B Mpanza (Mzingazi Library) motivated the children that they must visit the library in order to join the library and becoming a library member so they can able to access all library materials for example borrow the book in children section or visit computer section and play toys. Miss Mpanza stated that in order to join the patron must know the following: Library membership is completely free of charge for everyone in every library in the country. In order to join the library, library users need to complete an application form, in person at the library.

The above picture shows Ms. V.P. Cele read a storytelling book for Sekusilezulu creche

The above picture shows Mzingazi Library staff Miss.N.B. Mpanza explain to children the importance of applying for a library card and emphasizing the important or reading and understanding

PROMOTIONAL ITEMS

The promotional packs were given to children after storytelling and they were very excited to receive library promotions.

World play day-World Play Day is celebrated internationally on 28 May each year. This day commemorates the day in 1987 when the International Toy Library Association (ITLA) was first proposed.

The World Play Day Celebration, sponsored by the International Toy Library Association (ITLA), normally held on the 28th of May to commemorate the day the ITLA was proposed in 1987. Unlike most official “days,” the World Play Day is more of an attitude of connecting generations through play than a day of scheduled or planned events.

The International Toy Library Association believes that play involves exploration, language experimentation, cognition, and the development of social skills and as such is central to children's and adult learning and the foundation for adult achievement and creativity. Additionally, Libraries maintains that the encouragement of creativity from an early age is one of the best guarantees of growth in a healthy environment of self-esteem and mutual respect – critical ingredients for building a culture of peace.

PLAY OR GAMES

Play“ sometimes contrasted with „work“ and characterized as a type of activity which is essentially unimportant, trivial and lacking in any serious purpose. As such, it is seen as something that children do because they are immature, and as something they will grow out of as they become adults. Play in all its rich variety is one of the highest achievements of the human species, alongside language, culture and technology. Indeed, without play, none of these other achievements would be possible. The value of play is increasingly recognized, by researchers and within the policy arena, for adults as well as children, as the evidence mounts of its relationship with intellectual achievement and emotional well-being.

FOSTER LEARNING INITIATIVES THROUGH SPORTS

Central to Right to Play are education-based games that promote learning while playing. Teaching children and youth cooperation and fair play is linked to the Right to Play programme goal of increasing tolerance, drug free society, peace and understanding in their community.

MOBILIZE COMMUNITY AND SCHOOLS AROUND SPECIFIC ISSUES

Messages conveyed through games can be tied to schools and community physical health and development initiatives

THE CONDUCTED GAMES ON WORLD PLAY DAY CELEBRATION WERE AS FOLLOWS:

- ☐ Puzzle games
- ☐ Kids Page colouring
- ☐ Indigenous games

WORLD PLAY DAY CELEBRATION

The World Play Day Celebration was held on the 27th of May 2022 in Mzingazi Public Library. It was a very successful programme. The stakeholders who attended the world play day celebration were KZN Department of Arts and Culture, Mzingazi Primary School Grade R from Ward 6, Sithokozile Creche from Ward 14 and Thembaletu Crèche from Ward 16 and Miss Cebekhulu (Health and safety unit) at uMfolozi Municipality.

It was very fascinating and educational programme; and KZN Department of Arts and Culture were overwhelmed to see children's participating in different kinds of programmes with good understanding because a moving child is a learning child.

Mr Sithole (Mzingazi Security guard) screen and check all the children temperature in order to make sure that everybody is safe inside the library Children were playing different toys what was most important was they learn to share ideas

Children were playing different toys what was most important was they learn to share ideas in-group

Children were participating outdoor activities unfortunately the weather was in bad condition, so it was better to keep them inside the library

Miss NB Mpanza (Mzingazi Librarian) stated that Play encourages children to use their imagination, such as playing with blocks, dolls and toys is also a good way to help kids to meet their daily physical activity such as drawing, colouring, painting, cutting and gluing.

Mzingazi primary, Sithokozile and Thembaletu Creche played a part in best page colouring competition and Miss Zenathi Shalembe from Mzingazi Primary received a Gift she took a first place for best colouring

Gumede Snakho from Thembaletu Creche played a part of being a doctor and she said that when she grows up, she wants to become a doctor in order to save people life

Mthiyane Sbusisiwe from Mzingazi Primary in Ward 6 plays an indigenous game which called uMlabalaba

Mhlongo Zenande from Sithokozile creche in Ward 14 plays Puzzle game

KZN DEPARTMENT OF ARTS AND CULTURE Mrs R Naidoo (Promotion Librarian) from KZN Department of Arts and Culture informed children that playing is very essential to development because it contribute to the cognitive, physical, social and emotional well-being of children and youth. Mrs Naidoo also outlined that playing helps kids learn and practice self-regulation, helps kids build decision-making skills, teaches kids to work in groups so they can learn to share and resolve conflict, and also encourage kids to interact with and explore the world around them.

Mrs Greyling and Mrs Naidoo from KZN Department of Arts and Culture motivate children about the importance of World Play Day

Children did not go home empty handed but KZN Department of Arts and Culture and Mzingazi Library gave them library promotional Materials (Juice bottle and pencil cases)

ELDERLY ON WORLD PLAY DAY

The World Play Day Celebration with elders was crucial to maintaining health and wellbeing, but it may be even more important in aging and senior adults. Regular exercise and an active lifestyle for seniors

provides a variety of health benefits that extend beyond the obvious, including improvements in blood pressure, diabetes, lipid profile, osteoarthritis, osteoporosis, and neurocognitive function.

BENEFITS OF ACTIVE LIFESTYLE FOR SENIORS

- ☐ Fitness improves senior health
- ☐ Exercise helps with managing body weight
- ☐ Working out increases bone health & strength
- ☐ Exercise builds positive mental health
- ☐ Building strength prevents falls
- ☐ Staying active promotes sleep
- ☐ Exercise improves social wellness

UMFOLOZI MUNICIPALITY HEALTH AND SAFETY OFFICER

Miss PT Cebekhulu from uMfolozi Local Municipality (Health and Safety unit) on World Play Day motivate and explain to children that it is important to protect themselves from covid19 because the corona virus still exist in south Africa so they must continue to wash their hands and continue to wear musk all the times when they are indoors and they must play away from dangerous things in order to stay safe. Miss Cebekhulu also specified to children that it is important to inform their parents all the times when are leaving house or going to play away so the parent will know where they are.

Elders also pacificated in World Play Day in order to exercise their body

BOOK HANDOVER

Mrs Jacob Greyling (Librarian) from KZN Department of Arts and Culture handed over the books to Mzingazi Primary, Sithokozile creche and Themba lethu creche with aim of promoting play through reading. The books contain different poems with rhyming words. The ECDs Teachers were very excited to receive the books.

Miss Zulu from Sithokozile creche said that to being a part of World Play Day Celebration had a great impact.

Miss Shobede from Themba lethu creche and Mrs Qwabe from Sithokozile crèche received book form KZN DAC

Miss PT Cebekhulu from uMfolozi Local Municipality (Health and Safety unit)

REFRESHMENTS

REMARKS World play day Celebration was a great success and also taught the children about the importance of playing engaging with others and how to managed the safety of the materials they used, the

Department of Arts and Culture thanked and wished to return the following year to do more programmes and thanked the partnership with Mzingazi Library.

Children enjoyed their Lunch after World Play Day

CHALLENGES

The major challenges arise when requisitions delays and sometimes end up disrupting the event.

LIBRARY AWARENESS ACTIVITIES

The Library Activities was done by Miss M.P Mpanza. The purpose of the activities was to educate kids and have fun because it's important to reading books to children because stimulates their imagination and expands their understanding of the world. It helps them develop language and listening skills and prepares them to understand the written word, even after children learn to read by themselves, it's still important for them to read.



Miss M.P Mpanza (Library Assistant) share educational session with Sekusilezulu Preschool children.



Miss M.P Mpanza (Library Assistant) share educational session with Sekusilezulu Preschool children.

Miss M.P Mpanza entertained children with our best library activities that made children put down everything as follow:

- Go on a colour hunt
- Sing song together
- Sing poems
- Alphabet Play
- Numbering
- Days of the week
- Twelve months of the year
- Indigenous games

All children were participating and they did enjoy a lot. All those who were successful in allocated activity got an award of promotional pack.

LIBRARY PROMOTIONAL PACK

Sekusilezulu creche received library promotional material and they were so excited including their Early Child Development Educators (ECDs) received promotional pack.



Miss V.P Cele (Library Assistant) with children doing the counting

WORLD PLAY DAY

On the 06th September of 2021 Mbonambi Library hosted a World Play Day event, on that day there was Spelling B Competition, Poetry at Municipal Council Chambers and Soccer Game at Mbonambi Secondary School. The event was planned and attended by Mr. N. Ntuli, Mr. (Library Assistant). K. Mokoena (Cyber Cadet), Mr. S. B. Dlamini (Librarian), Mr. C. Mpungose (Cyber Cadet), Ms. M. Mthethwa (Library Assistant), Ms. M.P. Mpanza (Library Assistant), Ms. V.P. Cele (Library Assistant) and Ms. K.L. Mkhwanazi (General worker) and the Teachers accompanying the Learners and other Municipality employees.

SPELLING B COMPETITION

In Spelling B Competition, there were four school participating, each school had 2 learners participating. The winner got R1000.00 Voucher to buy a full uniform, Trophy for the school, a Trophy for herself, a Medal and a Backpack.



The above picture shows Spelling Judges: Mr. K. Mokoena, Mr. N. Ntuli, Ms. V.P. Cele and Ms. M.P. Mpanza with the teachers and learners who were participating in the events



The above picture shows Spelling B and Poet participants doing their things



POETRY

There was Poetry Competition; in poetry 4 schools were participating in the event, each school had 2 learners to recite the poems. The Poems were in English and isiZulu categories. The Poem's Theme was Covid-19. In each category a winner got a Trophy for the school, a Medal and Backpack for herself.



The above picture shows Poetry winners: Andiswa Mkhize from Bhubhubhu primary school and Thobeka Nyawo from Enhlanzini Primary school being awarded and in another picture Mrs. Mthethwa from Bhubhubhu Primary school and her winning learner



The above picture shows learners who were participants in Spelling B and Poetry receiving medals and ruler and pencil set

SOCCKER GAME

In the soccer game uMfolozi Municipality was playing a game against UMhlathuze Municipality where a winning team won a Trophy, Jersey and a Soccer ball. UMhlathuze Municipality won the game.



The above picture shows the winning team uMhlathuze Municipality being awarded a trophy and a Jersey

Outreach programmes-Outreach Services: – is to develop interest of using library Services to the community. The programme provided a unique opportunity to improve public image within a service community and offers excellent collaboration opportunities with community leaders, groups and organisations that will enhance overall use and access of library services.

The Early Childhood Development

The Creche managed to attended Literacy Day Celebration was Sekusilezulu creche and Day hope care with their ECD educators the number of learners were ten (10). each creche due to Covid19,

but it is only one creche that did not manage to attend due to transport delivery and Sithokozile creche was not listed to taxi drivers list so they could not able to pick up the Sithokozile learners.

SCHOOLS ATTENDANCE

The school that did not managed to attend below the table was Mkhayideni High school due to Examination. The number of learners each school were 5 each school due to Covid19.

NAME OF SCHOOLS

UMBONAMBI PRIMARY

MZINGAZI

MZINGAZI PRIMARY

NTONGANDE HIGH SCHOOL

ENHLAZINI PRIMARY

During the event Miss Vumile Cele (Mzingazi Library Assistant) Play with Kids and the play follow me games

During the event Miss Zanele Mkhwanazi for (Department of Arts and Culture) were assessing children about their different games they played

YOUTH / ADULTS

Youth audiences and elderly will be 5 audiences, Ward committee 1 audience and number of communities 10 outside the library.

COMPUTER SECTION

During the event all the learner were very excited to become a part of the Literacy Day or National Book week Celebration

During the event all Youth and Elderly took a tour to Library for computer practice

All the Youth and Elderly were given a chance to practice computer basic Mr AP Mhlongo (Mzingazi Cyber cadet) taught them how to login and logout the desktop, how to open the document and how to type and save the document and also how to retrieve the saved document in the computer. Mr Mhlongo also emphasis the important of using the computer in nowadays, he stated that computer make things become easier for example due to covid19 pandemic, people or businesses or companies use to contact their customers by using emails to prevent visitors during the lockdown period. All tertiaries do their admission by using online application.

OFFICIALIS VISITORS FROM UMFOLOZI LOCAL MUNICIPALITY

Number of visitors were in the programme from uMfolozi Local Municipality were expected were 13 audiences but the number of officials attended in the event were 5 Mr DB Mtshali Manager: DMFER and Library Services, Miss N B Mpanza (Mzingazi Librarian), Mr S Dlamini (Mbonambi Librarian), Miss V.P Cele (Mzingazi Library assistant) Miss MP Mpanza (Mzingazi Library Assistant) and Mr AP Mhlongo (Mzingazi Cyber cadet)

NAME OF VISITORS EXPECTED QUANTITY AREA UMFOLOZI LOCAL MUNICIPALITY

DEPARMENT OF ARTS AND CULTURE

The aim of Library Services was to improving public library access to all Mzingazi Community. This was done by developing and sustaining a culture of reading and the access to information of all throughout and province of KwaZulu-Natal.

The unit provides library services support to affiliated public libraries that includes local modular libraries and permanent structures made of bricks and mortar.

NAL“IBALA

Nal'ibali built on the simple logic that a well-established culture of reading can be a real game changer for education in South Africa. Literacy skills are a strong predictor of future academic success in all subjects and children who regularly read and hear engaging stories, in languages they understand, are well equipped and motivated to learn to read and write.

The most inspiring part of promoting a reading culture in South Africa is that many parents, caregivers and community-based organisations are already reading and telling stories to their children! . Nal'ibali recognising and respecting the power and potential of communities in literacy development. It also about working to build a larger community of people across the country who are interested in and passionate about storytelling, reading and writing with children.

HANDING OVER BOOKS

The books handover donated by Miss Masiza Hlekwayo from Nalibali and books were received by Sekusilezulu creche and Hope Day care creche the ECDs educator were very excited to be donated during the Literacy Day or National book Celebration. The aim of donation books was to encourage or to motivate children about the importance of reading and understanding the book and able to explain the book after reading.

Department of Arts and Culture Library Services promote the reading by mobile Library

COTLANDS

Cotlands create access to play-based early learning opportunities for young children. Through the generous investments of donors and partners, Cotlands initiates and facilitates innovative, play-based early learning opportunities for young children. Children are provided access to toy library and playgroup programmes aimed at improving school readiness. The programmes are designed to ignite potential through play by enhancing children's social-emotional development, as well as their cognitive skills which includes creativity, critical thinking and problem solving. The goal is to ensure that children have the required skills to excel when entering formal schooling and to develop holistically for their future success.

During the event Miss Masiza Hlekwayo from Nalibali donate the books to Sekusilezulu and Hope Day Care creche

During the event Cotlands attended literacy day and National book week celebration to play with children

Mr Ma-Africa from Ezakwazulu entertainment was a programme director of the day

FEBRUARY MONTHLY REPORT INTERNATIONAL MOTHER TONGUE AWARENESS 2022

FEBRUARY MONTHLY REPORT: WORLD READ ALOUD AWARENESS 2022

LIBRARY READING ACTIVITIES

People may have heard talk about the importance of reading, but the benefits that reading offers for older adults is often ignored. Seniors are known to experience a lot of mental and physical benefits due to regular reading. Miss V.P Cele (Library Assistant) gave seniors a little Reading practice, as a staff were very overwhelmed to see other seniors read a book fluently in such old age but others seem to not recognized the words so will continues to help Elders with reading programmes in order to develop their reading skills.

Seniors who read often enjoy much more than just a good story

Reading is fun with elders: Reading for enjoyment

MAIN BENEFITS OF READING THAT CAN ALLOW SENIORS /ELDERS TO LIVE A HAPPY AND INDEPENDENT LIFE:

IMPROVED DECISION MAKING

aging has a negative impact on the decision-making abilities of seniors many elders are dependent on others for most of their basic needs, they often find it difficult to make decisions for themselves main benefits of reading is that it challenges the brain, which can improve analytical reasoning as well as the decision-making abilities among seniors.

CAN REDUCE STRESS

Stress and anxiety are some of the most common issues among older adults. While it can be caused due to different reasons, seniors often find it difficult to overcome such problems. Reading books can be a simple way for seniors to deal with stress.

OVERCOME DEPRESSION & LONELINESS

feelings of stress and anxiety are common among the elderly, most older adults also suffer from depression. Since, many seniors live away from their family, they struggle with feelings of loneliness as well. the importance of reading and how it can help the elderly overcome loneliness and depression.

Mr Nene: feel delighted to see his hard work to learn to type words in Computer Practice

IMPROVED BRAIN ACTIVITY

Regular reading is known to improve the brain functions and can improve memory as well. It boosts brain activity, improves cognitive health and allows seniors to stay mentally active and productive.

IMPROVES MOOD

Feelings of happiness and satisfaction are some of the most important benefits of reading for seniors. The more they read, the more they are bound to feel happy.

COMPUTER SECTION

Many seniors struggle with touch screens due to a condition called leathery fingers. Technology can help older people to improve their physical and mental well-being, as well as their social lives. Apps and social media can help to prevent loneliness, whilst the internet can help them to make it easier to shop and to manage their bills.

Mr Mhlomgo thought elders how to use computer case, the central processing unit (CPU), the memory or RAM, the monitor, the keyboard, the modem, and the mouse.

Mr AP Mhlongo (Mzingazi Cyber-cadet) demonstrate to elders how to use a computer, Mouse, keyboard, save documents and how to print

LIBRARY MEMBERSHIP CARD

Miss M.P Mpanza (Library Assistant) Motivated elderly to join the library in order to receive a full library service in order to able to read and get exciting books without having to buy or to pay. Miss M.P Mpanza emphasized that elders need to take bring ID book, proof of residence and fill out a green form to apply for a library card and they will receive new membership card by post or check the library in about two weeks.

Miss MP Mpanza (Library Assistant) also notes that if elders want to open/ or join a membership card for grandchildren a legal guardian must accompany a child who wants to join. Children will need to show their birth certificates fill a yellow out a form to apply for a library card and they will receive new membership card by post or check the library in about two weeks.

Miss Mpanza outlines that once the application approved the patron has access to all the amazing resources provided by the local library and library users must make sure that if he/she comes to the library must remember to bring library card so he/she can check items out.

Miss MP Mpanza also stated that if the library user is not used to borrowing books from the library, he or she must take out one at a time. Then, as the library user grow more comfortable and return books on time, Miss Mpanza also noted that most libraries have a limit on the number of items library user can have out at one time and the patron is allowed to ask librarian how many items patron can take out at a specific in the library but all Patron or Library user have to do first is got a library.

Miss M.P Mpanza (Library Assistant) inform elders how to become a library membership

MZINGAZI LIBRARY BOOK DONATION

Mzingazi Library World Book Celebration celebrated on the 5th of April 2022 where Mzingazi Public Library received a donation book from Mr Cllr Celimpilo Makhunga in Mzingazi Area, Ward 6 and Mr. Mr. Mark, Paul, and Ryan Scates (Book donators). The books were handed over to Miss N.B Mpanza (Mzingazi Librarian) the number of books received were around 200. Mzingazi staff was so delighted to receive a donation books and Miss Mpanza suggested sent other 200 books to Mbonambi Library due the shortage of space in Mzingazi Library which means the total of books donated were around 400.

Mr. Cllr Makhunga and Mr. Mark, Paul and Ryan Scates Donated the Books with the aim of changing lives of library users through love of a books and reading, Mr. Cllr Makhunga stated that reading for pleasure is a single biggest indicator of the child's future success more than their family circumstances, their parents, educational background and their income. Mr. Cllr Makhunga also noted that he wants to saw

Mr Mark Scates (Book Donator), Mr Cllr Makhunga (Ward 6 Cllr) and Miss NB Mpanza (Mzingazi Librarian) more children particularly those who come from disadvantaged backgrounds, with a long-life habit of reading for pleasure and the improved life chances.

Miss N.B Mpanza (Mzingazi Librarian) and Miss V.P Cele and Miss M.P Mpanza (Library) will select the books that are in good condition and the other books will be donated to Primary, High schools and Old Age Home with the aim of benefits of reading, such as increasing and expanding vocabulary

Miss Vimile Cele (Library Assistant) feels delighted to receive book donation and improve concentration because reading reminds people that should have privilege of being able to read.

Mr. Cllr Makhunga from Mzingazi Area (Ward 6) demonstrate the donated books to PR Cllr Samkelisiwe Sabangu from (Ward7) and PR Cllr M.B Makhaza from (Ward 5) and Mr Makhunga stated that to Miss Cllr Shabangu and Mr Cllr Makhaza that the donated books are donated to all library users with the aim of promoting reading for enjoyment since April is the month of World Book Month Celebration.

Cllr Mr Makhunga Mzingazi (Ward 6), PR Cllr Samkelisiwe Sabangu (Ward7) and PR Cllr M.B Makhaza (Ward 5) and Miss N.B Mpanza (Mzingazi Librarian)

Miss NB Mpanza will be working with Department of Arts and Culture: Library Depots in order to catalogue the books from the scratch. Miss Geraldine from Library Depots promised to send the book barcodes in order to catalogue the books after cataloging books, books will be put in the library shelves and allow all library users to borrow the books.

[Back to School Awareness Campaign](#)

KwaMthethwa Modular Library on 11 March 2022 conducted International Mother Tongue Day at Enhlabosini Primary School and New Phathane Primary School respectively. International Mother Language Day is a worldwide annual observance held on 21 February to promote awareness of linguistic and cultural diversity and to promote multilingualism. The programme is celebrated every year on 21 February, The United Nations Educational, Scientific and Cultural Organization (UNESCO) reiterates its commitment to linguistic diversity and invites its Member States to celebrate the day in as many languages as possible as a reminder that linguistic diversity and multilingualism are essential for sustainable development.

UNESCO has been celebrating International Mother Language Day for nearly 20 years with the aim of preserving linguistic diversity and promoting mother tongue-based multilingual education.

As reading remains part of our core functions, this year, 2022 KwaMthethwa Modular Library focused on primary schools.

[International Mother Tongue Day](#)

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UNESCO has been celebrating International Mother Language Day for nearly 20 years with the aim of preserving linguistic diversity and promoting mother tongue-based multilingual education.

Career Exhibition

KwaMthethwa Modular Library conducted career exploration programme on 22 October 2021. The programme was embraced by local higher learning institutions as well as our local High schools. The institutions who partake on the programme were University of Zululand KwaDlangazwa Campus and UMFOLOZI Tvet College Esikhaleni Campus. The latter played a pivotal role in the programme: Each institution enlighten the learners on various programmes offered by the institution, as well as the requirements should learners consider furthering their studies on these higher learning institutions. The institutions handed over information booklet to learners as an information tool reflecting the expectations and requirements of the above institutions.

The base intention behind inviting higher learning institution was to get a planform for our local learners from surrounding schools to grasp gist knowledge of the present careers after school. The programme-oriented learners of how to go about regarding selecting and applying for their preferred field of study after school. The higher learning institutions were afforded an opportunity to present their offering with minimum requirement of various study field they offer.

High Schools participated in the programme:

KwaMbonambi Secondary School

Umbusowabathethwa High School

Ugome High School

Langalibomvu High School

Due to covid-19 regulation we had to select a certain proportion of school and learners. Each school was represented by 2 educators and 17 learners from Mathematics and Science stream.

5. SERVICES OUTLINED IN BROAD SENSE

Public libraries provide a range of services, both within the library and in the community, to satisfy their users' needs. The library should facilitate access to its services for all, including those who have difficulty reading print. The following services, which should be easily accessible to the user in a variety of formats and media, should be provided:

- loan of books and other media
- provision of books and other materials for use in the library
- information services using print and electronic media
- readers' advisory services including reservation services
- community information services
- user education including support for literacy programmes
- programming and events.

CHALLENGES WITHIN UMFOLOZI LIBRARY SERVICES UNIT

KWAMTHETHWA MODULAR LIBRARY (Renovations in progress)

Ceiling board not aligned

Counter too short doesn't serve the purpose

Flooring uneven and doesn't look strong enough

Emergency door to be attended

Bookshelves incorrectly installed and doesn't align to library standard

Ceiling overlapping

The issue of the plant passing on site of the library

The car wash operating on the premises

The Community Water Tap onsite

Toilets not operating

Water pump not working

Emergency assembly point signage and library information signage

Paving of the site structure

RECOMMENDATIONS

Provide power backup for KwaMbonambi Public Library

The technical services team to do the inspection and consider opening or fixing drainage system both in the second gate and in front of the library.

The librarian in charge to liaise with the department of Arts and Culture with regards to the Community computers.

To request the Chief Administration officer to add the libraries CCTV cameras.

The new Air conditioners should be installed in the library main section as the existing ones are old.

Technical Services Unit to intervene in all matters arisen above.

Intervention be executed in consultation with library services unit i.e., Librarian/ Custodian of KwaMthethwa Modular Library.

Plant alternate exit and entrance.

Car wash removed on site in KwaMthethwa Modular Library

Community Water Tap possible relocation

Completely restoration of the floor

Refurbishment of toilets and water pump

To liaise with the IT unit on the installation of land line

To liaise with the technical department to wrap up the fencing of the library.

For health and safety reasons, the exit emergency door is required in the library so the library unit should liaise with the technical team with that issue.

The budget should be verified, and requisition be hard-pressed

3.13. Child Care, Aged Care, Social Programmes

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality has established a Special Programmes Coordinating structures with the responsibility of initiating programmes that address the needs of vulnerable groups. The following coordinating structures have established:

Widows Forum

Women Forum

Disability Forum

Traditional Health Practitioners Forum

Ministers Forum

Men Forum
Arts and Culture Forum
Sports Council
Senior Citizens Forum

The Special Programme Unit initiates and manages a variety of projects and programmes to empower and uplift the communities, particularly the needy, vulnerable and disadvantaged groups. Its primary focus is to establish and maintain social progress to ensure that the social needs of communities within the municipal areas are addressed.

This is one of the most important sector in the institution which cater for the lives and rights of the children as the Constitution of the Republic of South Africa stipulate in Section 28 (1) every child has a right to family care of parental care, or to appropriate alternative care when removed from the family environment. Subsection (c) and (d) a child has a right to basic nutrition, shelter, basic health care services and social services, it further say a child has a right to be protected from the maltreatment, neglect, abuse or degradation. According to the Constitution of the Republic of South Africa a child is someone who is between the age of 1 up to 18.

uMfolozi Municipality through Special Programmes Unit is partnering with different stakeholders like Children's forum, Social Development, Early Childhood Development, Civil Societies, Department of Art and Culture, Non Profit Organisation, Provincial and National government. All these stakeholders work as a unit to ensure that the lives of children are safe, their rights are not violated and they are not exposed to any abuse whether it is physical or emotional abuse. First priority is ensuring that every child live under good conditions and is well taken care of, if there are any challenges uMfolozi Municipal officials do profiling, contact a department concern draft a clear programme which must speak direct to those challenges and come up with proper solutions at the end of the day.

The Children's Forum was allocated R80 000.00 in 2019/20 financially year. There was no budget allocation for Children's Forum in 2020/21 financial year. The budget allocated for 2021/2022 financial year is R100 000.00. Under Children there are various programmes that are conducted with a purpose of unlocking the minds of the children to become direct participants in our democracy. Following are the programmes that falls under Children's Forum:

1. Children's Parliament
2. Boys Parliament
3. Children's Right Dialogue
4. There are quarterly meetings from local up to the national level
5. Behavioural Change Programme (Morale Regeneration)
6. HIV/AIDS Awareness programmes
7. Male Medical Circumcision where young boys are targeted.

uMfolozi Municipality has also developed a culture of writing to private companies so that they can assist, when necessary, especially in the Early Childhood Development necessities to strengthen ..our programmes and enhance the level of service delivery.

uMfolozi Municipality has managed to establish the Children's Parliament which is responsible for championing the interests of children under the jurisdiction of uMfolozi Municipality, the Children's Parliament is constituted by a Mayor, Deputy Mayor, the Speaker and the Chief Whip and other members that comes from ward 1 up to ward 18. The structure was officially launched on the 5th of March 2022, the structure was inducted on the 01st of April 2022, uMfolozi Municipality invited the National Department of Social Development to facilitate the programme, Ms Mahlatse Mogoane Director in the National Office of Children. The Executive has been invited by different local radio stations, local newspapers and the local television One KZN TV.

Component E: Environmental Protection

This component includes: pollution control; biodiversity and landscape

3.14. Pollution Control

INTRODUCTION TO POLLUTION CONTROL

This function is currently practised by King Cetshwayo District Municipality through the Air Quality Division. Pollution control that is controlled by Community Services is dislodging of septic tanks. This procedure is done by Abaphumeleli Pollution Control.

3.15. Bio-diversity and Landscape

Open spaces are converted to parks and are being maintained through landscaping to eliminate their use as illegal dumping sites.

Alien plants are being removed and rehabilitation takes place through the EPWP programme.



Landscaping

ARBOR MONTH CELEBRATION

National Arbor Month is an annual celebration of the environment where indigenous trees are planted as a practical and symbolic gesture of sustainable environmental management. Arbor Day aims at rehabilitating an area to attract birds and butterflies.

South Africa celebrates Arbor Week in the first week of September annually. The Department of Agriculture, Forestry and Fisheries (DAFF), as the custodian of forestry in South Africa, is responsible for the campaign. The country's champion including some of the oldest, largest and culturally significant trees.

During the course of National Arbor Month 2021, uMfolozi Municipality in partnership with the Department of Agriculture as well as the Department of Economic Development, Tourism and Environmental Affairs celebrated Arbor Month at Zonza, ward 8 under the theme **FOREST RESTORATION: A path to recovery and well-being**". Forests and trees play a crucial role in reducing the accumulation of greenhouse gases in the atmosphere. Effective forest management can strengthen resilience and adaptive capacities to climate-related natural disasters. The theme promotes tree planting

for restoration and rehabilitation, creation of sustainable settlements by adding greenery and creation of biodiversity around our residential settlements.

During the celebration, 200 trees donated by the Department of Agriculture and 100 seedlings were donated by the Department of Economic Development, Tourism and Environmental Affairs and were shared with the community of Zonza to embrace Arbor Month. Garden tools such as forks and watering cans were donated to the community to instill the concept of the one-home-one garden National Programme and ensure food security with the area.

The Arbor Month Celebration aimed to instill the following principles:

- ❖ To promote a better knowledge of trees particularly indigenous trees.
- ❖ To stress the necessity for everyone to plant trees and care for them.
- ❖ To highlight the vital role of trees in our lives.

The Arbor Month affords the government, the private sector, non-governmental and community-based organisations and the public to be involved in "greening" their communities. Planting trees and greening human settlements takes place in communities. The Department of Forestry, Fisheries and Environment employed 20 during the month of September 2021 to plant indigenous trees around uMfolozi schools and residents.



Tree planting at Dondotha High School

2021 TREE OF THE YEAR:

Scientific name: *Diospyros cotinifolia*

Common name: Pompon tree

The pompon tree is one of the best known and well-loved indigenous trees, tough enough to be used as a street tree and small enough to fit into most gardens. It is now listed as an endangered species.

WATER WEEK

The South African water resources are managed by the Department of Water and Sanitation to improve the quality of life of all South Africans. Since 1994, the government has been hard at work in ensuring that all South Africans have access to water.

In 1993, the United Nations designated 22 March as the World Water Day with a focus on the importance of fresh water and to raise awareness of the billion people living without access to clean and safe water. This day is about taking action to decisively deal with water challenges facing the globe. The Department of Water and Sanitation takes this opportunity of the United Nations' World Water Day to embark on a month-long awareness campaign annually on activities that seek to educate the general public and stakeholders about the importance of water and conservation. The Department does have a special focus for a week on the National Water Week activities from 15 – 22 March with activities that build up to the World Water Day. The focus is about taking action to tackle the global water crisis and achieving Sustainable Development Goal 6: water and sanitation for all by 2030.

The Master Plan that achieving water security in South Africa requires a significant paradigm shift that:

Recognises the limitations of water availability

Addresses the real value of water

Ensures equitable access to limited water resources

Focuses on demand management and alternative sources of water

Considers the importance of climate change

Addresses declining raw water quality

The theme of the World Water Week is “Groundwater-making the invisible, visible”. This theme seeks to remind policy and decision-makers, inside and outside of the water community, that South Africa is a water scarce country.

ENVIRONMENTAL/BIODIVERSITY WEEK

World Environmental Day was established by the United Nation General Assembly in 1972 on the first day of the Stockholm Conference on the Human Environment. Discussions were on the integration of human interactions and the environment. The first World Environmental Day was held in 1974 in Spokane, USA with the theme ‘Only One Earth’. Consequently, the UN World Environmental Day celebration has become an annual event hosted in a different country with events focusing on a central theme.

The theme for World Environmental Day 2022 is “Only One Earth,” which focuses on the need to live sustainable in harmony with nature, and our possibilities for shifting to a greener lifestyle through both policies and individual choices. “Only One Earth” calls for transformative changes to policies and choices to enable cleaner, greener, and sustainable living in harmony with nature- this planet is our only home, and humanity must safeguard its finite resources.

Component F: Security and Safety

INTRODUCTION TO SECURITY & SAFETY

Section 152(1) (d) of the Constitution of the Republic of South Africa requires local government to “promote a safe and healthy environment”. This creates a broad Community safety mandate for local governments, although municipalities have often limited their safety responsibilities to traffic control and disaster management. One may argue that safety is the exclusive responsibility of the South African Police Service (SAPS). This is a popular view, but it does not consider the legal obligation of local government through this constitutional mandate.

Furthermore, The Constitution of the Republic of South Africa mandates municipalities to structure and manage their administration, including budgeting and planning processes, to give priority to the basic needs of the community (section 153(b)). Health and safety are basic needs and priorities for all South

Africans. Their fulfilment is essential to improving the quality of life of residents of the municipality. Without it, the socio-economic rights of residents cannot be realised.

The risk that crime poses to the stability of municipalities requires a focused and dedicated approach to managing safety.

In addition, the Constitution compels municipalities to provide the essential financial and human resources for the promotion of safety and health. Section 152(2) requires municipalities to meet all the objectives of local government, including the promotion of safe and healthy environments, using their own financial and administrative capacity.

Therefore, uMfolozi Municipality has taken an obligation to ensure a safe, reliable, affordable and efficient road transport system within the broader vision which is “to improve the quality of life for all people of uMfolozi local municipality by creating an economically viable and sustainable development.

3.15. Police

The traffic department in uMfolozi Municipality is charged with the mandate of ensuring a safe, reliable affordable and efficient road transport system within the broader vision which is “to improve the quality of life for all people of uMfolozi local municipality by creating an economically viable and sustainable development, through Vehicles stopped and checked Multidisciplinary roadblock and Road safety awareness.

The National road safety strategy expresses on integration that will lead multi-sectoral efforts within the private and public sectors to reduce road carnage through concentration on the highest risk factors: alcohol (driver and pedestrian); seat belt compliance; moving violations including speed; creation of a safe environment for pedestrians; education in schools; public relations concentrated on achievements to gain the support of the public, and creating an awareness of risks, as well as improvement in the vehicle and road environment (including reduction in fraud and corruption) and improvement of after-crash care to reduce the number of deaths and disabling injuries.

Vehicles stopped and checked: 14 297 Vehicles stopped and checked

This activity promotes engagement with drivers helps ensure that both cars and drivers are assessed for compliance with the relevant legislation.

Multidisciplinary roadblocks: 12 Multidisciplinary roadblocks conducted

This activity has been conducted in collaboration with various stakeholders with an aim to optimise the usage of resources for service delivery,

Law enforcement remains one of the key drivers in achieving a safe road environment and therefore every effort should be made to curb contributing factors of crashes.

Stakeholders involved:

SAPS

Road traffic inspectorate

Home Affairs

Community leaders

And other NPOs and Government Departments

The high number of Road Traffic crashes and its associated consequences has a significant impact on the South African society which continues to hamper socio-economic development and impact on the well-being of all South Africans. This impact is measured in terms of human lives lost, pain, grief and suffering, as well as an increasing cost to the economy. The extent of the problem is exacerbated when road fatalities and serious injuries are seen in the context of contributing to a significant economic loss for South Africa. People injured or killed on our roads are often the breadwinners of their families and thus vital contributors to the economy at large, therefore uMfolozi Municipality takes an initiative to fight against road carnages, through multidisciplinary road-blocks.

Road safety awareness: 07 Road Safety awareness conducted from July 2021 to June 2022

Road safety as a shared responsibility, every citizen has a responsibility to protect life, as emphasised in the constitution of South Africa. Umfolozi Municipality has taken an effort to reduce road carnages in the road by providing the community with information that will create a better understanding in terms of the safety measures to be taken whilst on the road and promote the road safety responsibility.

Main Objective of uMfolozi Municipality is: To change the attitude and behaviour of road users by elaborating on three factors identified as likely to cause accidents in our roads i.e., human, road, and vehicle factors, and put more emphasis on the human factor as the common factor in the occurrence of road accidents.

Addressing the issues of road user behaviour and the community are given an opportunity to participate regarding the day-to-day challenges that they are faced with on the road, such as:

- Encouraging road users to wear bicycle helmet
- Emphasising the importance of wearing the safety belts and using other approved restraints in motor vehicles
- Addressing drugs and alcohol use by the road users
- Highlighting speed limit and other traffic regulations
- The importance of ensuring that vehicles in a good working condition.
- And addressing other road safety related matters.

Road trauma that is caused by the road accidents is the major challenge to our communities. Economic, social and emotional costs of road accidents to our society are enormous. Gaining wide acceptance of personal and community responsibility for road safety is essential. Umfolozi Municipality believes that

education is one of the important approaches in reducing road accidents, and an effective means of developing positive attitude and safe behaviour in human.

Notices issued

Notice type	No. of notices issued	Projected Fine value	Actual Fine Value
Section 56	688	R534 550	R2100. 00

Licencing transactions July 2021 to June 2022

Transaction Description	Number of items	Value In Rand
Application for leaners licence	970	R145,500.00
Application for PRDP	186	R27,900.00
Duplicate leaners licence	9	R640.00
driving licence renewals	712	R177,250.00
learners licence issued	526	R31,560.00
Temporal driving licence	228	R20,520.00
Total	2 631.00	R403,370.00

Component G: Sport and Recreation

3.16. Sport and Recreation

Sports remains the only relevant tool that can be used to unite the nation, restore discipline, and encourage the youth to stand up against the abuse of liquor and substance abuse. Sports brings together different stakeholders with an intention of promoting social stability and healthy lifestyle, under sport this is where the future of the country is well taken care of. Sports brings about different opportunities for the youth to showcase their talent.

Sport is a powerful way of reaching and engaging with people from various social, economic, and cultural backgrounds. It fosters participation social inclusion and sense of belonging, bringing individuals and communities together. Sports for development is an approach based on the belief that play or sport is not just an end but also an effective way to help achieve larger development goals. There is a concrete evidence

that sports programmes which are explicitly designed to address the need of particular section of the population have the potential to prevent disease, increase alcohol attendance but improve learning levels and foster gender equity.

Under uMfolozi Municipality under Sports we had the following:

1. Indigenous Games
2. SALGA Games
3. Golden Games
4. Siyabonga Sangweni Youth Tournament
5. Dlala Nathi

During 2020/2021 financial year, there were no games that took place because of the Corona Virus pandemics which affected the world, most of the 90% Sports activities did not take place due to Covid 19 pandemic. The uMfolozi Municipality received a communique that indicated that there would be no SALGA Games for 2021/2022 financial year, the municipality has taken an initiative of introducing its own games that will start from the ward level, cluster level up to local level.

Component H: Corporate Policy Offices and Other Services

3.17. Executive and Council

INTRODUCTION TO EXECUTIVE AND COUNCIL

uMfolozi Local Municipality has five departments namely: Executive Department, Corporate Services Department, Community Services Department, Financial Services Department and Technical Services Department. Each department is led by a Section 56 manager reporting directly to the Municipal Manager except for the Chief Operations Officer, whose appointment falls within the Main Collective Agreement (MCA). The Municipal Manager reports directly to the Executive Committee via the Mayor who is the chairperson of the Executive Committee. The Municipal Manager is assisted by the Senior Managers, Internal Auditors and the Audit Committee in meeting his accountability requirements in terms of the Municipal Finance Management Act and other pieces of legislation.

3.18. Finance

Annual Financial Statements are included in this report in Chapter 5 of this report which gives more details on the financial affairs of the institution

Employees for 2021/22: Finance Services					
Job Level	2020/2021	2021/2022			
	No. of Employees	No. of Posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
0-3	0	0	0	0	0
4-6	3	2	2	0	0
7-9	1	2	2	0	0
10-12	13	13	13	0	0
13-15	2	1	1	0	0
16-18	0	1	1	0	0
19-20	0	0	0	0	0
Total	19	19	19	0	0

Financial Performance for 2020/21: Finance Services					
Details	2012/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	175 258	193 371	216 518	201 202	7%
Expenditure:					
Employees	62 456	66 982	72 045	69 573	3%
Repairs & Maintenance	7 299	9 497	9 930	2 543	74.4%
Other	109 091	109 966	105 523	84 489	19.9%
Total Operational Expenditure	178 846	186 445	187 498	156 605	16%
Net Operational Expenditure	(3 588)	6 926	29 020	44 597	

3.19. Human Resources Services

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human resources are the most important, and the most expensive resource that the Municipality has. Hence; it is vital it makes optimum use of this resource. The Municipality needs to have the right number, the right competencies and the most appropriate organizational and functional spread of human resources, as well as functioning systems and structures that allow it to be effective and efficient.

The Municipality should manage its human capital by:

- Planning the municipal workforce in totality;
- Developing a capable and skilled workforce that is striving towards service excellence; and
- Setting guidelines to strengthen leadership and develop human capital by attracting, retaining scarce, valued and critically required skills for the Municipality.

During the 2021/2022 financial year; the Municipality undertook the following human resources projects in an attempt to improve performance and efficiency by human resource:

- 100% filling of all senior management positions;
- 90% achievement in the filling of budgeted vacant positions;
- Thirteen (13) policies were reviewed and will be work shopped to councillors and staff members in 2022/2023 financial year.
- Policies will be reviewed on quarterly basis for 2022/2023 financial year
- Training of Local Labour Forum members, Senior Management, Extended Management and councillor conducted by SALGA New Service Level Agreement and Code of Conduct.
- Training of (15) employees as First Aiders and sixteen (16) staff members as Health and Safety representatives and 12 Fire Mashals
- Training of three (03) Financial Services employees on Certificate Programme in Municipal Development (CPMD);
- Training of six (06) employees on Labour Intensive Construction
- Training of five (05) staff member on Registry Management Course provided by Arts and Culture (Records Management and Archives Section)
- Provided financial assistance in a form of bursaries to staff members.

3.20. Information and Communication Technology (ICT) Services

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communication Technology (ICT) provides IT infrastructure and systems to help the organization realize its goals and objectives by aligning IT services with the Integrated Development Plan (IDP). The Key Performance Areas include: Email, Internet, Intranet and Document Management System (DMS), Help-desk Services, Provision of hardware and software, Disaster Recovery Systems (DRP), Business Continuity Planning (BCP), IT Strategy and Master Systems Planning (MSP).

The ICT function is outsourced to service providers due to lack of skills and capacity within the Municipality. However; the service provider exit strategy has been documented which includes the establishment of a fully-fledged ICT Business Unit.

During the 2021/22 financial year; the Municipality undertook the following ICT projects/initiatives in an attempt to improve municipal business process performance and efficiency executed through ICT systems and infrastructure:

- Installation of Office 365;
- Installation of New Server Room in the CSC;
- Upgrading of New Network Infrastructure;
- Installation of Telkom Fibre Line;
- Reviewed and updated all ICT policies and implemented outstanding ICT Policies;
- Developed the supporting ICT standards and procedures;
- Developed a comprehensive ICT Project governance framework;
- Implementation of cloud-based services, hosting and disaster recovery;
- Assessment of the infrastructure to cater for broadband rollout;
- Redesigning of the ICT network to optimize performance;
- Deployment of new firewall devices and configuration;
- External and Internal Vulnerability testing.

Capital Expenditure for 2021/22: ICT Services					
R'000					
Capital Projects	2019/20 Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total					
Backbone Fibre	N/A	R 170 000.00	R 170 000.00	0	R 170 000.00
Virtual Meeting Infrastructure	N/A	R 378 781.70	R 378 781.70	0	R 378 781.70

3.21. Administration

INTRODUCTION TO ADMINISTRATION, RECORDS MANAGEMENT, FLEET SERVICES AND AUXILLIARY SERVICES

Administration is the most important component in the municipality. The administration Unit is administratively located at Directorate: Corporate Services. The Administration component comprises of Administration, Auxiliary Services, Asset Maintenance, Records Management, Fleet Section and Customer Care. The administration component is geared toward ensuring an enabling environment for the service delivery to the customer, stakeholders and community of uMfolozi Local Municipality and a conducive environment to the employees.

Administration and Auxiliary Services

The Administration and Auxiliary Services is charged with the creation of an enabling environment by ensuring that there is adequate and secure office space. It consists of safety and security, cleaning services, printing solutions, corporate image and customer care

The sub-unit aims to ensure that there is: -

- Identification of municipal immovable assets for maintenance and safe-guard
- Development and the implementation of the Maintenance and Security Management Plans
- Development of the Security Management Policy and Standard Operating Procedures

The administration has ensured that the following projects are in place and engagements meetings with services providers are conducted on monthly basis to monitor the services rendered

- Appointment of Cleaning Services to ensure that the municipal building and other municipal sites are clean and in line with Occupational Health and Safety Act and engagements meetings are conducted on monthly basis to assess the performance of the service provider.
- Appointment of Safety and Security Services to ensure to safeguard the municipal assets and engagements meetings are conducted on monthly basis to assess the performance of the service provider
- Appointment of Printing Management Solutions to ensure the smooth running of printing services within the municipality and libraries.

Batho Pele

Eleven Principles were developed to serve as acceptable policy and legislative framework regarding services delivery. These principles are aligned with Constitutional ideals of:

- Promoting and maintaining high standards of professional ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs; the citizens are encouraged to participate in policy making;
- Rendering an accountable, transparent and development- oriented public administration
- Batho Pele Forum meets on quarterly basis to address the issues of Customer Care and implementation of Municipal Complaints Management System within the organization. All

Departments in the municipality are represented by Batho Pele Champions that act as an Agent of Change.

- The number of (08) Batho Pele Policies were adopted to by Council ensure the functionality of Batho Pele
 - a) Batho Pele Framework Policy adopted in 2018
 - b) Batho Pele Service Charter adopted in 2018
 - c) Batho Pele Service Commitment Charter adopted in 2018
 - d) Batho Pele Service Standard adopted in 2018
 - e) Batho Pele Customer Care adopted in 2018
 - f) Integrated Municipal Complains Management Policy adopted September 2018
 - g) Draft Land-Line Telephone Usage Policy adopted 31 March 2021
 - h) Reviewed Draft BP – Customer Service Standards adopted 31 March 2021

Fleet Services

Fleet Management sub-unit is the backbone of the municipality, without municipal vehicles or vehicle operators the municipality cannot be able to render service delivery. Fleet Management is the function that oversees, coordinates and facilitate various transport and transport related activities. The service delivery revolves around the availability of fleet and vehicle operators. Fleet Services are designed in order to minimize vehicle investments risks, reduce transportation and staff costs, improve transport efficiency and increase productivity. Fleet Management improves productivity by saving time not only to drivers but also to administrators and managers. This component is government by the following policies

The sub -unit aims to ensure that there is:-

- Development and the implementation of the Fleet Management Policy and Standard Operating Procedures
- Effective and Efficient fleet management aims at reducing and minimizing overall costs through maximum, cost effective utilization of resources
- Identification of fleet needs depending on the nature of emergency and operations
- Ensure Time Management Improvement, Fuel Management, Better Customer Services, Employee Satisfaction, Savings on maintenance Costs and Insurance Costs Reduction.

In 2020/2021 financial year the municipality embarked on a leasing options to enable service delivery and customer satisfaction. Fleet Management Committee meets on quarterly basis to monitor and assess the usage of vehicles in the municipality. Vehicles are valuable assets and critical for business continuity. In 2021/2022 financial year the municipality was able to add more vehicles and plant to the fleet operation to improve the service delivery for the people of uMfolozi

- a) Three Toyota Fortuner's procured in September 2020 – Executive
- b) Bell Grader 60 new acquisition
- b) Isuzu Truck received from King Cetshwayo for the period of three years
- c) Grader received from King Cetshwayo for the period of three years
- d) TLB received from King Cetshwayo for the period of three years

Records Management & Registry Services

This sub-unit is responsible for the safeguarding of the Municipality's information. It is guided by both the National Archives and Records of South Africa Act (NARSA) and the Provincial Archives and Records of South Africa Act (PARSA) the implementation of which is the responsibility of the Department of Arts and Culture (Archives and Records Management Services) and the Auditor-General continue to be a crucial stakeholder to the municipality's Records Management sub-unit. This unit is responsible for the development and the implementation of Records Management Policy, Registry Procedure Manual and File Plan. The unit is also tasked to ensure transition from manual records management system into electronic document management system. The number of 3 quarterly in-house inspection and 01 Appraisal of Records inspection were conducted. The total number 5 workshops on Records Management, PAIA and POPIA were conducted to staff members.

The sub-unit is also responsible in ensuring that annual records are disposed on receipt of disposal authorities from the Provincial Archivist which is conducted annually. The Disposal of Records was conducted in December 2020 and Destruction Certificate was issued.

Four (04) quarterly fumigation of offices were conducted to ensure that the records are safe and not expose to perils. Records Management Forum represented by all departments meets on quarterly basis to discuss and address the records management issues and champions are playing a crucial role in ensuring that all department adhere to the legislative prescripts required.

The representation of the municipality in the KwaZulu-Natal Records Managers and Deputy Information Officers Forum (KRMDIOF) has played a huge role in capacitating the municipality on the importance of records management and the strides taken by both Records Management Services and Information Regulators.

The sub-unit is also responsible in ensuring the development and implementation of Promotion of Access to Information (PAIA) and Protection of Personal Information Act (POPIA). The municipality appointed Information Officer being the Municipal Manager, 1st Deputy Information Officer (DIO) and 2nd Deputy Information Officer (2nd DIO) to ensure that all request received are properly administered and compliance to PAIA and POPIA are adhered to.

As a response to Compliance to POPIA the municipality has engaged to the proper process to gear up with Compliance of PoPIA. The key-role players were workshopped on the 15th of June 2021 on Compliance necessary engagements are in progress.

Capital Expenditure for 2020/2021 Administration Unit					
R'000					
Capital Projects	2021/22	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
	Budget				
Total					
Safety & Security	R 5 000 000.00	R4 500000.00	R4 265 035.26		
Cleaning Services	R 2 100 000.00	R2 100 000.00	R1 638.691.00	R 461 000.00	
Printing Solutions	R 680 000.00	R 699 000.00	R 584 997.00	R114 002.00	
Vehicle Acquisitions	R2 500 000.00	R2 500 000.00	R 2 263 655.00	R236 345.00	

Component I: Organisational Annual Performance: Annual Performance Report

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1. INTRODUCTION

The Annual Performance Report indicates how the Municipality is performing against its aims and objectives. Good performance information helps to identify what policies and processes work and why they work. Performance information is essential for effective management, including business planning, monitoring and evaluation. Externally, performance information allows effective accountability with appropriate information; members of the public and other stakeholders are able to exert pressure for improvements and can better understand the issues involved.

The Municipality for each quarter aligns the performance of the municipality against the set targets on the Municipal SDBIP. This performance seeks to attain the following:

- ❖ Indicating progress against objectives
- ❖ prompting an external focus by public institutions on transparency, accountability, and progress on service delivery;
- ❖ ensuring the best results for citizens
- ❖ identifying gaps between policy formulation and policy implementation; enhancing strategic planning processes; and
- ❖ reflecting the level of institutional capacity to actually deliver services to citizens

This performance report is per key performance areas and indicates the performance the organization against the organizational planned annual targets and objectives. This report will also entail the corrective measures to variations on planned targets and the challenges thereof. Moreover, the financial reports as per project spending.

2. LEGISLATIVE REQUIREMENT

Legislation that governs performance management in local government includes the Municipal Systems Act, 32 of 2000 (MSA), the Municipal Planning and Performance Management Regulations, 2001 (MPPMR), the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

2.1. MUNICIPAL SYSTEMS ACT, 32 OF 2000

The MSA requires all municipalities to promote a culture of performance through the establishment of a PMS, which must set key performance indicators and targets, as well as monitor, review and report on municipal performance, based on indicators linked to the Integrated Development Plan (IDP), including the national indicators prescribed by the Minister responsible for Local Government.

Section 46 of the Municipal Systems Act states that:

- (1) A municipality must prepare for each financial year a performance report reflecting-
 - (a) The performance of the municipality and of each external service provider during the financial year;
 - (b) A comparison of the performances referred to in paragraph (a) with targets and performances in the previous financial year, and
 - (c) Measures taken to improve performance
- (2) An Annual Performance Report must form part of the municipality's Annual Report in terms of Chapter 12 of the Municipal Finance Management Act.

2.2. MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (NO796, 24 AUGUST 2001)

The regulations deal with provisions for the following aspects of the PMS:

- The framework that describes and represents the municipality's cycle and processes for the PMS and other criteria and stipulations (Reg. 7), and the adoption of the Performance Management System (Reg. 8);
- The setting and review of Key Performance Indicators (Reg. 9 & 11);
- The General KPIs which municipalities have to report on (Reg. 10); and
- Reporting of performance information (Reg. 13)

3. SUMMARY OF THE REPORT

This report includes highlights from the key performance measures included in the 2021/22 IDP. These priority measures constitute the Municipal Scorecard for 2021/22 financial year.

This report presents the year-end performance results for 2021/22. The results are assessed using traffic light criteria, according to their performance against improvement targets. A dashboard which summarizes performance for the municipality's scorecard is shown in Figure 1.

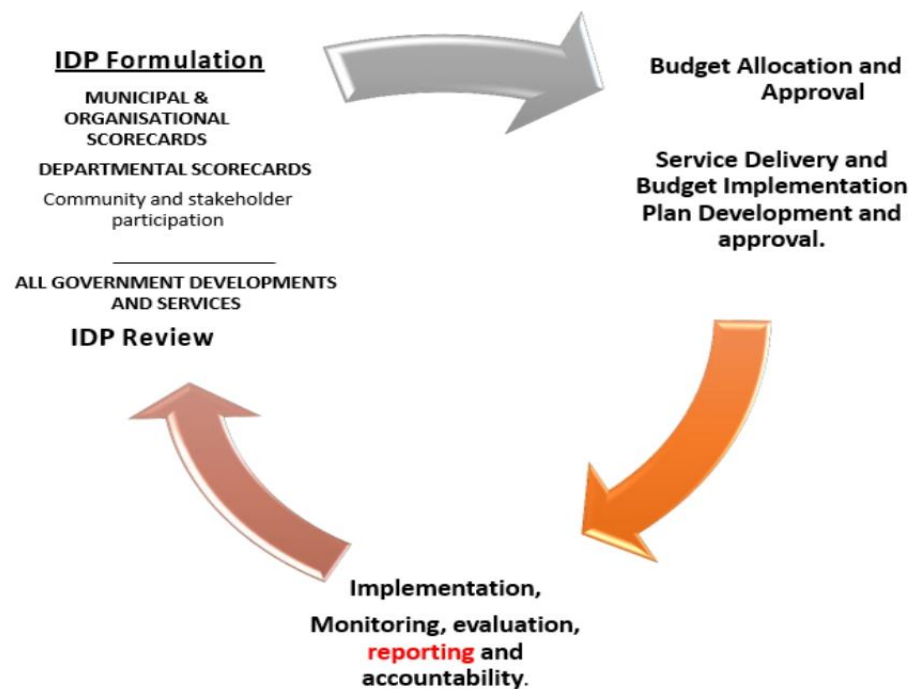
Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances enables remedial action to be taken where appropriate.

Overall performance graphs and dashboard information



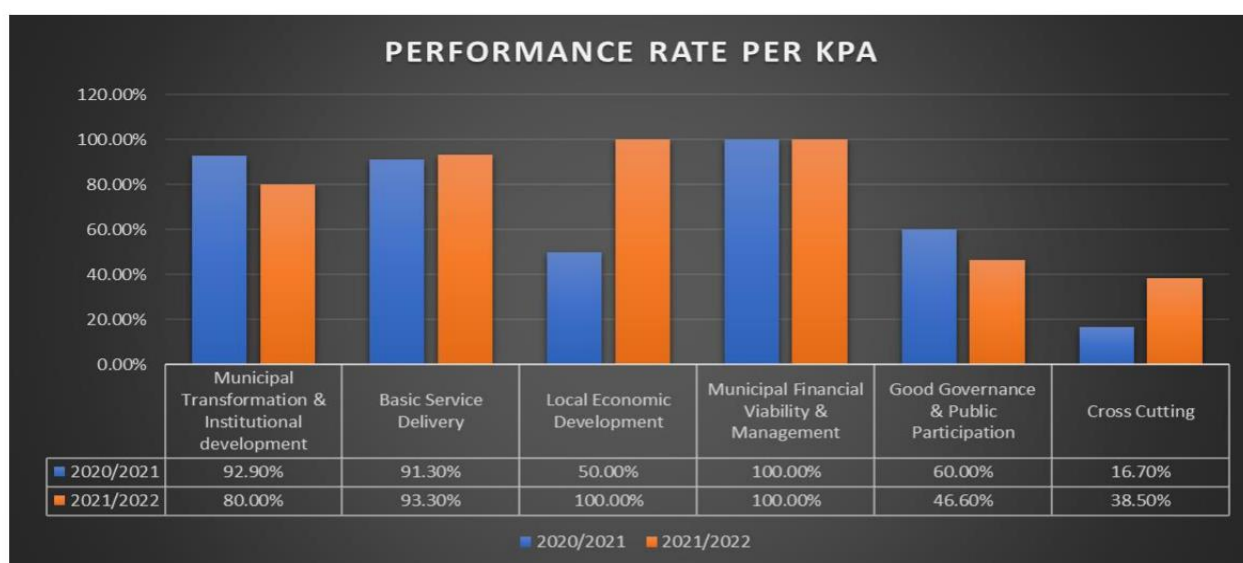
4. PERFORMANCE MANAGEMENT PROCESS

The Municipality recognizes the significance of having a Performance Management System not only as a legal requirement in terms of the applicable laws, but as an important instrument of corporate governance which aims at ensuring that a process of goal setting in the workplace is followed by a systematic success measuring process. The process is being summarized in the flow chart below:



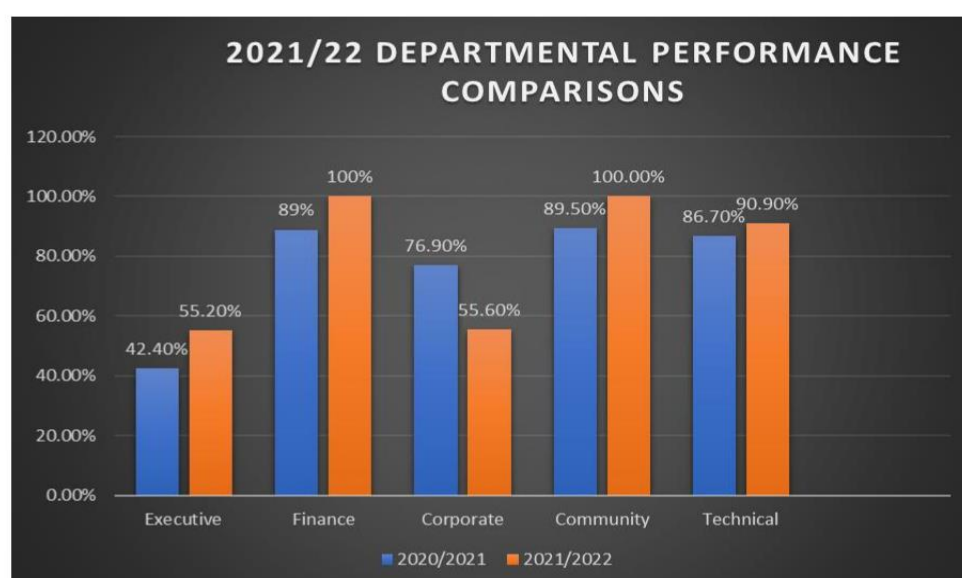
5. PERFORMANCE ASSESSMENT PER KEY PERFORMANCE AREA

KPA No.	KPA	TOTAL TARGETS	NO. OF TARGETS ACHIEVED	NO. OF TARGETS NOT ACHIEVED	PERFORMANCE RATE (%)
1	Municipal Transformation & Institutional Development	10	8	2	80%
2	Basic Service Delivery	15	14	1	93.3%
3	Local Economic Development	2	2	0	100%
4	Municipal Financial Viability and Management	9	9	0	100%
5	Good Governance & Public Participation	15	7	8	46.7%
6	Cross Cutting Intervention	13	5	8	38.5%
	Total	64	45	19	70.3%



6. PERFORMANCE ASSESSMENT PER DEPARTMENT

KPA No.	DEPARTMENT	TOTAL TARGETS	NO. OF TARGETS ACHIEVED	NO. OF TARGETS NOT ACHIEVED	PERFORMANCE RATE (%)
1	Executive Department	29	15	14	51.7%
2	Financial Services	10	10	0	100%
3	Corporate Services	9	5	4	55.6%
4	Community Services	5	5	0	100%
5	Technical Services	11	10	1	90.9%
	Total	64	45	19	70.3%



7. PERFORMANCE AND SUPPORTING INFORMATION

The performance reporting of the municipality is prepared in line with the 6 National Key Performance Areas (NKPA'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 the performance of the previous financial year and measures taken to improve performance. The reported key performance indicators achievement is based on the supporting evidence that has been verified for quality assurance.

8. GENERAL KEY PERFORMANCE INDICATORS

Regulation 10 of the Municipal Planning and Performance Regulation has set prescribed General Key Performance Indicators as stated in section 43 of the Municipal Systems Acts. Below is the list of the six (6) General Key Performance Indicators applicable to uMfolozi Municipality:

No.	Key Performance Indicator	Target	Actual	Status (Achieved/Not Achieved)	Reason for Variance	Corrective Measure
a.	The percentage of households with access to basic level of:					
i.	Water	District Function that services all 18 wards in uMfolozi area				
ii.	Sanitation	District Function that services all 18 wards in uMfolozi area				
iii.	Electricity	527 households	527 households	Achieved	N/A	N/A
iv.	Solid Waste Removal	7 wards had access to weekly refuse removal throughout the year	7 wards had access to weekly refuse removal throughout the year	Achieved	N/A	N/A
b.	The percentage of households earning less than R1100 per month with access to free basic services	100%	100%	Achieved	N/A	N/A
c.	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	100%	Achieved	N/A	N/A
d.	The number of jobs created through municipality's local, economic development initiatives including capital projects	0	0	N/A	N/A	N/A
e.	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	2	Achieved	N/A	N/A
f.	The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100%	100%	Achieved	N/A	N/A

9. ASSESSMENT OF THE PERFORMANCE OF THE EXTERNAL SERVICE PROVIDERS

Assessment of the performance of External Service Provider

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

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

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
Protea Consulting Inc.	26 April 2021	Provision of Performance Management	R6301526	Compiling the Service Delivery Budget and Implementation Plan Compiling Monthly and Quarterly Reports Compiling the Performance Agreements and Performance Plans	Compiled the Service Delivery Budget and Implementation Plan Monthly and Quarterly Reports Compiled the Performance Agreements and Performance Plans	Compiling the Service Delivery Budget and Implementation Plan Compiling Monthly and Quarterly Reports Compiling the Performance Agreements and Performance Plans	Compiled the Service Delivery Budget and Implementation Plan Compiled Monthly and Quarterly Reports Compiled the Performance Agreements and Performance Plans	G		
Camelsa Consulting Group	20 Sept 2016	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Rate Based	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Implementation of MSCOA. Accounting System Drew up Financial Statements and FAR for 2019/2020	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Implementation of MSCOA. Accounting System Drew up Financial Statements and FAR for 2020/2021	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
Mills Fitchet Natal PTY LTD	1 July 2020	Preparation of General Valuation Roll	R683 280	Preparation of General Valuation Roll	In progress	Preparation of General Valuation Roll	In Progress	G		
Brand Partners pty ltd	28 Jan 2020	Proposal for the development and implementation of a municipal communications strategy	R 9 980 000.00	Proposal for the development and implementation of a municipal communications strategy	On going	Proposal for the development and implementation of a municipal communications strategy	On going	G		
Thuthukani Gardening Services	20 June 2019	Provision of dislodging of septic tanks services for a period of three 3 years	R 674 783.26	Provision of dislodging of septic tanks services for a period of three 3 years	Provided the dislodging septic tanks service	Provision of dislodging of septic tanks services for a period of three 3 years	Provided the dislodging septic tanks service	G		
Umnotho Business Consultants	20 Jun 2019	Table 4 Reports to the Audit Committee Reports	R 3 235 526.75	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	G		
Olix Invest	01-Jan-018	To provide IT advisory services to the administrative component of the Municipality	R 2 367 600.00	To provide IT advisory services to the administrative component of the Municipality	Provided IT advisory services to the administrative component of the Municipality	To provide IT advisory services to the administrative component of the Municipality	Provided IT advisory services to the administrative component of the Municipality	G		
RNT Consulting	28 August 2018	Support Maintenance, rental Software and Hardware	R2 760 437.35	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	G		
Green Door Environmental	April 2021	Application for water use license for the Municipal Area	R80 000	N/A	N/A	Application for water use license for the Municipal Area	Specialist Studies, Application with the Department of Water and Sanitation	G		
Geo Africa Surveys	December 2020	Develop Sub Division Application for the portion of the Municipal Land	+/-R100 000	N/A	N/A	Develop Sub Division Application for the portion of the Municipal Land	Draft application has been completed and is being circulated to relevant departments	G		
Kunene Risk Resolutions	1 Aug 2018	Provision of Short-Term Risk Solutions	R1 261 440.00	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	G		
Thuthukani Gardening	19 Dec 2020	Provision of dislodging of septic tank services	252000	Provision of dislodging of septic tank services	Dislodging of septic tank services	Provision of dislodging of septic tank services	Dislodging of septic tank services	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
DLV Project managers & Engineers	01 February 2021	To design, execute and monitor progress of Ekuvukeni access road project.	R 462 708,24	N/A	N/A	To design, execute and monitor progress of Ekuvukeni access road project.	DLV Project managers & Engineers completed supervising the project within the stipulated period	G		
DLV Project managers & Engineers	01 February 2021	To design, execute and monitor progress of Ntongonya access road project.	R 580 839,83	N/A	N/A	To design, execute and monitor progress of Ntongonya access road project.	DLV Project managers & Engineers completed supervising the project within the stipulated period	G		
Simphulwazi Engineers	01 February 2021	To design, execute and monitor progress of Mpumelweni access road project.	R 516 915,32	N/A	N/A	To design, execute and monitor progress of Mpumelweni access road project.	Simphulwazi Engineers completed supervising the project within the stipulated period	G		
Umkhonto Professional services	01 February 2021	To design, execute and monitor progress of Kwalayini access road project	R 613 704,22	N/A	N/A	To design, execute and monitor progress of Kwalayini access road project	Umkhonto Professional services completed supervising the project within the stipulated period.	G		
TPA Consulting	01 February 2021	To design, execute and monitor progress of Ntinkulu access road project	R 367 749,48	N/A	N/A	To design, execute and monitor progress of Ntinkulu access road project	TPA Consulting completed supervising the project within the stipulated period.	G		
PGA Consultants	01 February 2021	To design, execute and monitor progress of Nhlanzini access road project	R 617 422,67	N/A	N/A	To design, execute and monitor progress of Nhlanzini access road project	PGA Consultants completed supervising the project within the stipulated period.	G		
M&C Consultants	21 February 2021	To design, execute and monitor progress of Dondotha High Must project	R 85 166,35	N/A	N/A	To design, execute and monitor progress of Dondotha High Must project	M&C Consultants completed supervising the project within the stipulated period.	G		
TPA Consultants	21 February 2021	To design, execute and monitor progress of Ngamanzi High Must project	R 90 321.00	N/A	N/A	To design, execute and monitor progress of Ngamanzi High Must project	TPA Consultants completed supervising the project within the stipulated period.	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
TPA Consultants	21 February 2021	To design, execute and monitor progress of Eluthela High Must project	R90 321.00	N/A	N/A	To design, execute and monitor progress of Eluthela High Must project	TPA Consultants completed supervising the project within the stipulated period.	G		
*Civtech	01 February 2021	To design, execute and monitor progress of Mankwathini MPCC project	R 776 020.00	N/A	N/A	To design, execute and monitor progress of Mankwathini MPCC project	Civtech didn't complete the project was terminated due to power workmen ship I terms of design and supervision.			P
SPK Engineers	01 February 2021	To design, execute and monitor progress of Ward 14 MPCC project	R 816 561,79	N/A	N/A	To design, execute and monitor progress of Ward 14 MPCC project	TPA Consultants completed supervising the project within the stipulated period.	G		
Nomandla	1 Jan 2018	To provide cleaning services to the administrative buildings of the Municipality, Thusong Centre, Fire Services, Regia Place.	R 997 376.88	Providing Cleaning Services for the Municipal Offices	Provided Cleaning Services for Municipal Offices, Thusong Centre, Fire Services, NO. 62 Regia Place. The contract ended on the 28 th of February 2022	Provide Monthly Cleaning Services and Hygiene Reports Attend Monthly Cleaning and Hygiene Committee Engagement Meetings	Provided Eight (8) Cleaning and Services monthly operations reports Attended Nine (09) monthly engagement meetings on Cleaning Services operations	G		
Unakane Business Enterprise	01 March 2022	To provide Cleaning, Hygiene Services Cleaning Equipment and materials	R 7 097 604.00	Provision of Cleaning Services for the Municipal Offices, Thusong Centre, Fire Services, Regia Place, DLTC and Zonza Library for the period of three years (01 March 2022-28 February 2025)	Provided Cleaning Services for Municipal Offices, Thusong Centre, Fire Services and Regia Place	Provide Monthly Cleaning Services and Hygiene Reports Attend Monthly Cleaning and Hygiene Committee Engagement Meetings	Provided four (04) Cleaning and Services monthly operations reports Attended four (04) monthly engagement meetings on Cleaning Services operations	G		
Konica Minolta	01-Jul-2021	Rental of Printing Solutions Management	R 1 449 091.49	Providing 11 multi-function network photocopiers machine	Provided 11 multi-function network photocopiers machine	Delivery of 11 multi-function network to Municipal Offices, Thusong Centre, Municipal Library, Mzingazi Library and Zonza Library	Delivered Eleven (11) Photocopying Machines to Municipal Offices, Thusong Centre, Municipal Library, Mzingazi Library and Zonza Library.	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
Siyejabula Security Solution	01-Jul-2021	Provision of security services for uMfolozi Local Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library and Zonza Library	R 16 718 955.99	Providing Security Services for uMfolozi Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library and Zonza Library for the period of three years (01 July 2022 – 30 June 2024)	Provided Security Services for uMfolozi Local Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library, Zonza Library and DLTC	Provision of Grade C Security Guards, Grade B Supervisors VIP Guards, ITALK, Vehicle and Patrol System Produce Security Services Operational Monthly Report Produce Threat Risk Analysis Report: (Annually) Produce incidents Report as and when occurred Attend Safety and Security Committee meetings on Security Monthly Operations	Provided (33) Grade C Guards, (2) Grade B Supervisors, (2) VIP Guards, 1 Vehicle and Talk Radios & Patrol System Produced (12) Security Services Operational Monthly Reports Produced (01) Threat Risk Analysis Report: for 2021/2022 Financial year. Produced five (05) incidents Reports Attended twelve (12). Safety and Security Committee meetings on Security Monthly Operations	G		
*KwaJ Investments	31 May 2021	Construction of Ntongoya Access Road	R2895233.50	N/A	N/A	Construction of Ntongoya Access Road	Site establishment Plant issues			P
Civtech- There was a breakdown of communication between the Service Provider and the Municipality and did not deliver as per the scope. The Municipality followed process to correct the underperformance however there was no improvement which led to formal termination of contract. The remaining contractual payments were not made to the service provider as the work was not done. KwaJ Investments- The contractor failed to proceed with the scope that he was given in accordance with the approved program.										

10. ANNUAL PERFORMANCE REPORT SCORECARD

Municipal Transformation and Institutional Development

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2020/2021 ACTUAL		2021/2022 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Annual Target	Actual	Annual Target	Actual	R			
Corporate Services	Number of Training Reports submitted to Council	Skills Development	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	N/A	N/A	2	1	O	R0,00	The Training Reports for Quarter 2 was not submitted due to Local Government Elections, there was no Ordinary Council in Quarter 2	The Report that was submitted to council in June included Reporting for all Quarters
Corporate Services	Number of matriculants awarded with community bursaries	Skills Development	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Award 51 matriculants with bursaries by 31 March 2021	65 Matriculants awarded bursaries	68	68	G	R600 000,00	N/A	N/A
Corporate Services	Number of Organogram reviews submitted to Council for adoption	Strengthen organizational capacity	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submit Revised 2021/2022 Organogram to Council for Adoption by 30 June 2021	Revised 2021/2022 Organogram was submitted to Council for Adoption on the 30th of June 2021	1	1	G	R0,00	N/A	N/A
Corporate Services	Number of Employment Equity Reports submitted to the Department of Labour	Strengthen organizational capacity	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submission of the Employment Equity Report to Department of Labour by 15 January 2021	The Employment Equity Report was submitted to the Department of Labour on the 14th of December 2020	1	1	G	R0,00	N/A	N/A
Office of the Municipal Manager	Number of Performance Reports submitted to Council	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submit 4 Quarterly Performance Reports to Council by 30 June 2021	5 Quarterly Performance Reports were submitted to Council	4	4	G	R0,00	N/A	N/A

Office of the Municipal Manager	Number of Performance Assessments conducted	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Conduct 4 Performance Assessments for section 54/56 Managers by 30 June 2021	0 Performance assessments were conducted	4	0	O	R0,00	The Performance Assessments were planned and all documentation was prepared the date was set, The Performance Assessments could not take place due to the MM attending special meetings (June 2022)	The Acting MM has prioritized the seating of Performance Assessments and they will take place by 30 September 2022 (June 2022)
Office of the Municipal Manager	Number of Performance Agreements signed by Senior Managers and submitted to CoGTA	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	5 signed Performance Agreements of Section 54/56 Managers by 31 July 2020	5 Performance Agreements of S54/56 Managers were signed	5	5	G	R0,00	N/A	N/A
Office of the Municipal Manager	Number of Annual Reports and Oversight Reports submitted to Council for approval by deadline	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submission of 2019/2020 Annual report and Oversight report to Council for approval by 31 March 2021	Annual Report and Oversight Report was tabled to council on the 26th of May 2021	1	1	G	R0,00	N/A	N/A
Office of the Municipal Manager	Number of Annual Performance Report submitted to Auditor General by deadline	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submission of 2019/2020 Annual Performance Report to Auditor-General by 31 August 2020	The Annual Performance Report was submitted on the 31st of October 2020	1	1	G	R0,00	N/A	N/A
Corporate Services	Number of fumigations facilitated	Cleanliness	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Optimize resource and facility management	A5	N/A	N/A	4	5	G2	R60 000,00	N/A	N/A

Basic Service Delivery

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2020/2021 ACTUAL		2021/2022 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Target	Actual	Target	Actual	R			
Technical Services	Number of Kilometres of Mpumelengeni Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	2.50	2.50	G	R3 162 680.37 R4 501 798.76 R3 364 810.29 R3 000 000.00 R3 835 000.00 R2 200 000.00 R2 200 000.00	N/A	N/A
Technical Services	Number of Kilometres of Ntongoya Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	2.80	2.80	G		N/A	N/A
Technical Services	Number of Kilometres of KwaLayini Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	3	3	G		N/A	N/A
Technical Services	Number of Kilometres of Ntinkulu Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	1.40	1.40	G		N/A	N/A
Technical Services	Number of Kilometres of Nhlanzini Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	1.20	1.20	G		N/A	N/A
Technical Services	Number of Kilometres of Ekuvukeni Gravel Access Road Constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete 100% of 5 Gravel Access Roads (7.1km) by 30 June 2021	Completed 100% of 4 Gravel Access Roads (5.1km) and 88% of 1 Gravel Access Road (2.1km)	1.25	1.25	G		N/A	N/A
Technical Services	Number of Course-Ways constructed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	N/A	N/A	1	0.47	O	R2 200 000.00	Contract percentage time elapsed 50% and percentage of the works for month of June is at 47% on overall works. Overall Works behind by 6 weeks and that is due to the rain and technical reason.	Project to be completed during the 2022/2023 Financial year
Technical Services	Number of kilometers of rural access road maintenance completed	Rehabilitation and Development of Roads Infrastructure	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve the state of Municipal Physical Infrastructure	B1	Complete maintenance (Blading) of 280 kilometres of rural access roads by 30 June 2021	476.1 km of rural access roads were maintained	400	620.50	B		N/A	N/A

Budget and Treasury	Number of households with access to free basic electricity on a quarterly basis	Provide Indigent Support	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase provision of municipal services	B2	4142 households with access to free basic electricity on a monthly basis	4142 households with access to free basic electricity on a monthly basis	4 142	4 142	G	R5 000 000,00	N/A	N/A
Technical Services	Number of High Masts constructed	Electricity	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase provision of municipal services	B2	N/A	N/A	3	3	G	R2 200 000,00	N/A	N/A
Technical Services	Number of Ablution Facilities constructed	Construction of Community Facilities	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase provision of municipal services	B2	Complete 20% of 5 Ablution Facility by 30 June 2021	The contractor has completed 20% of the project scope for each of 5 Ablution facility	4	4	G	R1 000 000,00	N/A	N/A
Technical Services	Number of Bus Bays constructed	Construction of Community Facilities	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase provision of municipal services	B2	Construct and Complete 20% of Bus Bay by 30 June 2021	The contractor has completed 20% of the project scope	1	2	B	R350 000,00	N/A	N/A
Technical Services	Number of Multi-Purpose Community Centres constructed	Construction of Community Facilities	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase provision of municipal services	B2	Complete 20% of Mankwathini Multi-Purpose Centre by 30 June 2021	The contractor has completed 21% of the project scope	2	2	G	R13 000 000,00	N/A	N/A
Community Services	Number of wards with access to refuse removal	Refuse Removal	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Improve environmental management	B3	7 wards with access to weekly waste removal	7 wards with access to weekly waste removal	7	7	G2	R550 000,00	N/A	N/A
Community Services	Number of Multi-Disciplinary roadblocks	Reduce Road Carnage	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy environment to our communities	Increase Community Safety	B4	8 multi-Disciplinary roadblocks by 30 June 2021	18 Multi-Disciplinary Roadblocks were conducted	12	12	G	R0,00	N/A	N/A

Local Economic Development

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2020/2021 ACTUAL		2021/2022 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Target	Actual	Target	Actual	R			
Community Services	Number of agricultural projects assisted	Development and implementation of the Agricultural Development Plan	Local Economic Development	To promote Local economic and Social Development	Promote Local Economic Development	C2	Assist 2 Agricultural projects by 31 March 2021	1 Agricultural Project were assisted	2	3	B	R300 000,00	N/A	N/A
Community Services	Number of SMME Databases tabled to council for adoption	SMME Development	Local Economic Development	To promote Local economic and Social Development	Promote Local Economic Development	C3	Host Annual SMME Seminar by 30 June 2021	SMME Seminar was not hosted	1	1	G	R0,00	N/A	N/A

Municipal Financial Viability

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2020/2021 ACTUAL		2021/2022 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Target	Actual	Target	Actual	R			
Budget and Treasury	Amount of own Revenue Collected	Revenue Enhancement	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve revenue management and reduce the debt	D1	N/A	N/A	R12 000 000.00	R47 745 894.60	B	R0,00	N/A	N/A
Budget and Treasury	Percentage of Capital Expenditure spent	Capital Budget Spending	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D2	Spend 100% of Capital Expenditure (R39 071 000.00) by 30 June 2021	100% of Capital Expenditure was spent	100.00%	100.00%	G	R28 046 000.00	N/A	N/A
Budget and Treasury	Number of reports on bids awarded from the value of R100 000 submitted to Council	Implementation of the Procurement Plan	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D2	Submit 4 reports on bids awarded from the value of R 100 000,00 to council by 30 June 2021	7 Reports on bids awarded from the value of R100000 were submitted to council	4	9	B	R0,00	N/A	N/A
Budget and Treasury	Number of months after the end of financial year the Financial Statements are submitted to Auditor General	MFMA Compliance	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D3	Submit Annual Financial Statements Auditor-General by 31 August 2020	The Annual Financial Statements were submitted to Auditor General on the 31st of October 2020	2	2	G	R0,00	N/A	N/A

Budget and Treasury	Number of Mid-Term Performance Reports submitted to Council	MFMA Compliance	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D3	Submit Midterm Budget & Performance Assessment Report to council to Approve by 25 January 2021	The Midterm Budget Performance Report was submitted to Council on the 27th of January 2021	1	1	G	R0,00	N/A	N/A
Budget and Treasury	Number of Section 71 reports submitted to Provincial Treasury within 10 working days after the end of each month	MFMA Compliance	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D3	Submit 12 Section 71 Reports to Provincial Treasury within 10 working days after the end of each month	12 Section 71 Reports were submitted to Provincial Treasury within 10 working days	3	3	G	R0,00	N/A	N/A
Budget and Treasury	Number of days before the beginning of the Financial Year the 2022/23 Annual Budget is submitted to Council for approval	MFMA Compliance	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve expenditure management and SCM	D3	2021/2022 Annual Budget to be approved by Council by 31 May 2021	The Final Budget for 2021/2022 financial year was approved by the Council on the 26th of May 2021	30	35	G2	R0,00	N/A	N/A
Budget and Treasury	Number of Asset Registers updated	Asset Management Strategy	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve Asset Management	D4	N/A	N/A	1	1	G	R0,00	N/A	N/A
Budget and Treasury	Number of Fleet Management Reports submitted to council	Fleet Management	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve Asset Management	D4	Submit 4 Fleet Management Reports to Council by 30 June 2021	4 Fleet Management Report was submitted to Council	4	5	G2	R0,00	N/A	N/A

Good Governance and Public Participation

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2020/2021 ACTUAL		2021/2022 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Target	Actual	Target	Actual	R			
Office of the Municipal Manager	Number of Ward Committee meetings coordinated	Ward Committee Governance	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Promote broaden local democracy	E1	Coordination of 204 Ward Committee meetings by 30 June 2021	122 Ward Committee Meetings were held	156	105	O	R0,00	Ward Committee Meetings could not be coordinated as the Municipal Council resolved to give Council Structures a recess as they prepare for Local Government Elections. After Elections the ward committees had to be elected	The election of ward committees was completed in Quarter 3 and all ward committees for Quarter 4 were held successfully.
Office of the Municipal Manager	Number of Audit Committee meetings held	Improved Audit Opinion	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	4 Audit Committee meetings held by 30 June 2021	4 Audit Committee meetings were held	4	4	G	R220 000,00	N/A	N/A
Office of the Municipal Manager	Number of Audit Committee Reports submitted to Council	Improved Audit Opinion	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	Submit 4 Audit Committee Reports to Council by 30 June 2021	2 Audit Committee Report was submitted to Council	4	3	O	R0,00	Quarter 1 Report was not submitted to Council because the Council Structures were suspended in preparation of Local Government Elections	The items that were meant to be reported in Q2 Council were included in the report tabled in Q3
Office of the Municipal Manager	Number of Risk Management Frameworks submitted to Council for approval	Improved Audit Opinion	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	4 Risk Management Committee Meetings held by 30 June 2021	4 Risk Management Meeting were held	1	1	G	R0,00	N/A	N/A
Corporate Services	Number of ExCo meetings held	Revive Governance Structures	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	Hold 12 Executive Committee (ExCo) meetings by 30 June 2021	11 ExCo Meetings were held	12	11	O	R0,00	Council Support: The Council resolved to place all Council Structures on recess therefore EXCO could not be held in November 2021	ExCO Meeting resumed to sit normally from Quarter 3 (January 2022)

Corporate Services	Number of Portfolio Committee meetings held	Revive Governance Structures	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	Hold 48 Portfolio Committee meetings by 30 June 2021	38 Portfolio Committee Meetings were held	48	39	O	R0,00	The Council Resolved to place to place all council structures on recess therefore 8 EXCOs could not be held in Q2. Community Services Portfolio did not take in Q4 due to quorum	The Unit will ensure that constant prior the meeting is done and the virtual platform will be utilized for members who cannot be in the meeting venue.
Corporate Services	Number of MPAC meetings held	Revive Governance Structures	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	Hold 4 MPAC meetings by 30 June 2021	3 MPAC meetings were held	4	3	O	R0,00	Council Resolved to give the Council Structures recess until the Inauguration of new council	The MPAC Meetings sat normally after the inauguration of new council
Corporate Services	Number of Council meetings held	Revive Governance Structures	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	Hold 4 Council meetings by 30 June 2021	12 Council meetings were held	4	11	B	R0,00	N/A	N/A
Office of the Municipal Manager	Number of Service Delivery Booklet published	Implementation of IGR Resolutions	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Intergovernmental relations	E3	N/A	N/A	1	1	G	R100 000,00	N/A	N/A
Office of the Municipal Manager	Number of Communications Unit Reports submitted to Council	Implementation of IGR Resolutions	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Intergovernmental relations	E3	Submit 4 Communications Unit Reports to Council by 30 June 2021	4 Communication Unit Reports was submitted to Council by 30 June 2021	4	3	O	R0,00	Communications Report was not tabled to Council in Quarter 2 because the Council Structures were on recess	The Unit will ensure that all items for the attention of council are submitted to EXCO first.
Office of the Municipal Manager	Number of days before the beginning of the Financial Year the 2022/2023 IDP is submitted to Council for adoption	Credible IDP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve Municipal Planning	E4	2021/2022 IDP adopted by Council by 30 June 2021	2021/22 Final IDP to be submitted to council on the 26th of May 2021	30	34	G2	R370 000,00	N/A	N/A
Office of the Municipal Manager	Number of Reports on 2022/2023 IDP Process Plan Implementation presented to council	Credible IDP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve Municipal Planning	E4	N/A	N/A	1	1	G	R0,00	N/A	N/A
Office of the Municipal Manager	Number of Quarterly IDP Rep Forum meetings held	Credible IDP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve Municipal Planning	E4	N/A	N/A	4	2	O	R370 000,00	The council resolved to put Council on recess in preparation for Local Government Elections. The structure formation was concluded in Quarter 3	The IDP Representative Forum started sitting normally in Quarter 4 and will continue in Quarter 1

Office of the Municipal Manager	Number of Strategic Planning Sessions conducted	Credible IDP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve Municipal Planning	E4	N/A	N/A	2	1	O	R300 000,00	The strategic planning was joint for both councillors and administration	Strategic Planning session will be joint for all Financial Years
Office of the Municipal Manager	Number of Days after the approval of Annual Budget the 2022/2023 SDBIP is approved	SDBIP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve organizational planning	E4	Submit 2021/2022 SDBIP to the Mayor within 28 days after the approval of the final budget	2021/2022 SDBIP was approved by the Mayor on the 23rd of June 2021, 28 days after the approval of Budget	28	28	G	R0,00	N/A	N/A

Cross Cutting Intervention

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	Actual 2020/2021		Actual 2021/2022			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES
							Target	Actual	Target	Actual	R			
Office of the Municipal Manager	Number of LAC meetings held	Functionality of WAC and LAC	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve HIV Aids awareness and coordination	F2	N/A	N/A	3	1	O	R40 000,00	LAC Meetings were not conducted because election of structures is not finalized	The election of structures will be finalized after the bi-election that will take place on the 3rd of August 2022
Office of the Municipal Manager	Number of LTT meetings held	Operation Sukuma Sakhe governance	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Hold 9 LTT meetings by 30 June 2021	5 LTT Meeting were held	8	2	O	R200 000,00	LTT Meetings were not held because the election of structures is not finalized	The election of structures will be finalized after the bi-election that will take place on the 3rd of August 2022
Office of the Municipal Manager	Number of festivals hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	N/A	N/A	1	1	G	R1 150 000,00	N/A	N/A
Office of the Municipal Manager	Number of Cluster games hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Participate on District Elimination Games by 30 September 2020	The Municipality did not participate on the District Elimination Games	1	0	O	R115 000,00	The hosting of these games was not approved the Municipal Leadership in fear of spreading COVID 19 due to the number of people who were expected the event	The games will be hosted in 2022/23 Financial Year

Office of the Municipal Manager	Number of Local Tournaments hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	N/A	N/A	1	0	O	R150 000,00	The number that was anticipated to attend games was too high therefore the games were cancelled	The games will now be hosted in 2022/2023 Financial Year considering the restrictions at the time
Office of the Municipal Manager	Number of indigenous games hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Host Indigenous games by 30 September 2020	Indigenous Games were not hosted	2	2	G	R235 000,00	N/A	N/A
Office of the Municipal Manager	Number of capacity building on youth conducted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	N/A	N/A	1	0	O	R300 000,00	This Program was not facilitated due to the high number of attendees that was expected	This program will be conducted in the next Financial Year
Office of the Municipal Manager	Number of Arts & Culture programmes hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Host 4 Arts & Culture Programmes by 30 June 2021	No Arts and Culture Programme was hosted	2	3	B	R500 000,00	N/A	N/A
Office of the Municipal Manager	Number of Mens Programmes held	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Hold 4 Men's programmes by 30 June 2021	No Men's programme was held	1	1	G	R275 000,00	N/A	N/A
Office of the Municipal Manager	Number of Ministers programmes hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Hold 2 Minister's Programmes by 31 March 2021	No Minister's Programme was held	2	1	O	R179 000,00	Ministers Program was not held in August due to the rise of COVID Cases in the Municipality because this programme gathers a number of old-age people	The program will be conducted in the following Financial year
Office of the Municipal Manager	Number of Disability programmes held	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	Host 3 Disability programmes by 30 June 2021	No Disability Programme was hosted	2	2	G	R260 000,00	N/A	N/A
Office of the Municipal Manager	Number of Childrens Programmes hosted	Implementation of Special Programmes initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve implementation of Sukuma Sakhe programme	F3	N/A	N/A	2	2	G	R58 000,00	N/A	N/A

Office of the Municipal Manager	Number of Senior Citizens Programmes hosted	Implementation of Special Programmes Initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve Implementation of Sukuma Sakhe programme	F3	Hold 2 Senior Citizens programmes by 31 December 2020	No Senior Citizens Programmes were held	2	0	0	R347 000,00	The Senior Citizens Programmes was not conducted as this programme was scheduled for Q1 when the Senior Citizens were prohibited to attend gatherings.	This program will be conducted in the next Financial Year
Office of the Municipal Manager	Number of Traditional Healers Programmes	Implementation of Special Programmes Initiatives	Cross Cutting Intervention	To promote Social Responsibility and Cohesion through sustainable development initiatives	Improve Implementation of Sukuma Sakhe programme	F3	N/A	N/A	2	1	0	R240 000,00	This Program was not facilitated due to the high number of attendees that was expected	This program will be conducted in the next Financial Year

11. CONCLUSION

The Draft Annual Performance reporting of the uMfolozi local municipality was prepared in accordance with Section 46 of the Municipal Systems Act. The draft report was submitted to Internal Auditors and Audit Committee for quality assurance and all recommendations were included in this report before the submission to the Auditor General and CoGTA. All Auditor Generals recommendations were taken into consideration and the report has been amended accordingly to produce the Final Annual Performance Report. This report will be presented to the Audit Committee, the Municipal Council and be submitted to CoGTA.

THE MUNICIPAL MANAGER
MR L.S JILI

Signed at uMfolozi CM by the 18th day of November 2022

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

Staff compliment- the municipality as at 30 June 2021 as per approved organogram including budgeted and non-budgeted posts has: one hundred and sixty filled positions eight vacancies

Councillors- the municipality has a total of 35 Councillors appointed on a 5-year term effected 19 November 2021.

Organogram- the organogram is reviewed on an annual basis; a draft was acknowledged by Council with request for provision of financial implications and there was no adopted final organogram by Council for 2021/2022.

Job Description- positions within the organogram have job descriptions.

Job Evaluation- the municipality finalised its job evaluation for all positions that were submitted for grading and reports were implemented and each employee was informed of the outcome of his or her position. The new positions are to be subjected to a job description and the job Evaluation.

Leave- it is managed through the Leave policy in conjunction with the Main Collective Agreement, KZN Conditions of Services & Basic Conditions of Employment Act.

Labour Relations- there are HR policies in place which are reviewed annually or if there is a need for renewal. the municipality last reviewed 13 Human Resources Policies in the year 2020/2021.

Disciplinary actions are conducted through the Disciplinary Procedure Collective Agreement (SALGBC).

Component A: Introduction to the Municipal Personnel

4.1 Employee Total, Turnover and Vacancies

Employees					
Description	2020/2021	2021/2022			
	No. of Employees	Approved posts	No. of Employees	No. of Vacancies	Vacancy rate (%)
Section 54/56	4	5	4	1	25
Technical Services	20	23	20	3	15
Executive & Council	21	31	14	7	50
Waste Management	15	20	13	7	53.8
Financial Services	19	19	18	1	5.6
Planning	3	5	3	2	66.7
Local Economic Development	2	2	1	1	100
Community Services	32	59	39	20	51.3
Safety & Security(Traffic unit)	29	39	21	18	85.7
Sports & Recreation	1	1	1	0	0
Corporate Services	14	26	14	12	85.7
TOTAL	160	230	148	72	48.6

Vacancy Rate: 2021/2022			
Designation	No. of Approved Posts	No. of Vacant Posts	Vacancy Rate (%)
Municipal Manager	1	0	0
CFO	1	0	0
Other s56 Managers	3	0	0
Middle Managers (Excluding Finance Services)	13	4	31%
Middle Managers (Finance Services)	2	0	0
Supervisors (Excluding Finance Services)	20	4	20%
Supervisors (Finance Services)	7	0	0
Traffic Officers	14	0	0
Fire Fighters	15	0	0
Other positions	154	64	42%
Total	230	72	31%
Turn-over Rate			
Details	Total Appointments as of the beginning of the Financial Year	Termination during the Financial Year	Turn-over Rate
2019/2020	2	3	150
2020/2021	20	4	
2021/2022	2	14	

As at 30 June 2022, the municipality had a total of 250 positions on the organogram. These excludes the internship and Trainees and EPWP.

The municipality has 14 terminations that were through the resignations.

Senior management positions are all filled including the Municipal Manager position.

Detail the attempts made to fill the posts of senior management and highly skilled supervision and explain why there are no appropriate internal staff to fill the vacancies.

The municipality could not adopt its organogram for 2021/2022.

Give reasons for the turnover rate experienced by your municipality. Explain measures taken to successfully attract and retain staff.

Most of the terminations were based on the end of contract of employment. The municipality has adopted the policy on retention.

Component B: Managing the Workforce

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

4.1. Policies

HR Policies and Plans				
	Name of policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Acting Allowance Policy	100		30 June 2021
2.	Leave Policy	100		30 June 2021
3.	Occupational Health & Safety Policy	100		30 June 2021
4.	Advertising Policy	100		30 June 2021
5.	Benefits and Allowance Policy	100		30 June 2021
6.	General Conditions of Services Policy	100		30 June 2021
7.	Incapacity and medical Boarding Policy	100		30 June 2021
8.	Remuneration Policy	100		30 June 2021
9.	Standby, Shift and Night Allowance Policy	100		30 June 2021
10.	Subsistence and Travelling Allowance Policy	100		30 June 2021
11.	TASK Job Evaluation Termination of Employment Policy	100		30 June 2021
12.	Training and Development Policy	100		30 June 2021
13.	Termination of Employment Policy	100		30 June 2021

The municipality is reviewing its HR policies internally on an annual basis and as and when there are changes to legislation. A plan is to review more policies in 2021/2022 and further conduct workshops on HR policies to employees and Councillors on quarterly basis

4.3 Injuries, sickness and suspensions – Corporate Services

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken (Days)	Employees using injury leave (Number)	Proportion employees using injury leave (%)	Average Injury Leave per employee	Total Estimated Cost (Rands)
Required basic medical attention	13	3			

Temporary disablement total	16	1			
Permanent disablement	0	0			
Fatalities	0	0			
Total	29	4			

Number of days and cost of sick leave (excluding injuries on duty)			
Salary band	Total sick leave (Days)	Proportion of sick leave without medical certificate (%)	Total employees in post (Number)
Lower skilled (Levels1-2)	n/a	n/a	n/a
Skilled (Levels 3- 5)	122	7	23
Highly skilled production (6- 8)	153	10	25
Highly skilled supervision (levels 9-12)	631	12	70
middle management (levels 13- 17)	177	5	14
MM and s56	20	2	5
Total	1103	36	137

4.2. Performance Rewards

The performance management system is applicable to the Senior Managers of the municipality and currently it is being cascaded to the middle management employees.

The Performance Management System is in place. The PMS and Individual PMS policy have been adopted. In the 2021/2022 Financial Year there was no section 56 manager who qualified for the Performance Bonus because the Performance Assessments were not conducted due to reasons documented in the Annual Performance Report in Chapter 3

The middle Management has started reporting on the system on quarterly basis.

Component C: Capacitating the Municipal Workforce

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The municipality is capacitating its workforce through its WSP that is submitted to Local Government SETA annually on or before 30 April each year.

SALGA has been assisting in conducting training on virtual

Number of Skilled employees required and actual as at 30 June 2022

	Learnerships			Skills programmes & other short Courses			Other forms of trainings Bursary			Total		
	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target
s56, Legislators	11	7	5	0	0	0	33	35	35	33	35	35
Senior officials and managers	2	2	2	11	6	2	16	14	10	29	22	8
Technicians and associate professional (Registered with professional Associate Body)	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	1	0	1	13	11	5	0	0	0	14	11	10
Semi-skilled	2	3	2	24	9	6	0	0	0	26	12	5
Unskilled	0	0	9	5	0	5	0	n/a	n/a	5	0	10
Total	16	12	19	53	26	18	49	49	45	107	80	68

4.3. Skills Development and Training

	No. of Employees in post as at 30 June Year 2021	Number of Skilled employees required and actual as at 30 June 2020											
		Learnerships			Skills programmes & other short Courses			Other forms of trainings Bursary			Total		
		Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21 Target
Legislators	33	11	11	5	0	0	33	2	2	1	13	13	8
Top Management	5	1	0	0	0	1	0	1	0	0	1	1	1
Middle Managers	18	2	2	3	7	7	5	0	0	2	9	9	7
Professionally qualified and experienced	27	0	0	0	13	13	8	5	5	4	18	18	12
Skilled technical and academically qualified worker, junior management, supervisor, foreman and superintendent	00	0	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary making	46	0	0	0	16	16	10	0	2	3	25	25	13
Unskilled and defined decision making	11	0	0	5	6	5	6	0	0	2	6	5	6
Temporary employees	30	0	0	0	6	6	5	0	0	0	6	6	5
Total	170	14	13	13	48	48	67	8	9	12	78	77	52

	Employees at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development: 2019/20							
		Learnership		Skills Programmes and other shorts courses		Other form of training		Total	
	Number	Original budget	Actual	Original budget	Actual	Original budget	Actual	Original budget	Actual
Legislators	33	N/A	N/A	R300 000	R0.00	0	0	R3 00 00	R300 000
Employees	168	N/A	N/A	R400 000	R52 000		R 137 000	R137 000	R237 000
Internal Bursary	14	0	0	0	0	R300 000	R168 000		
Community Bursary	68 Learners	0	0	0	0	R500 000	0	R500 000	0
Top Archivers	10	0	0	0	0	R170 000	0	R170 000	0
Total		0	0	R700 000	R52 000	R970 000	R 305 000	R137 000	R537 000

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality [(Reg. 14(4)(a) and (c)]	B. Total number of officials employed by municipal entities [(Reg. 14(4)(a) and (c)]	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B [(Reg. 14(4)(f)]	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 [(Reg. 14(4)(f)]	Consolidated: Total number of officials that meet prescribed competency levels [(Reg. 14(4)(f)]
Financial Officials						
Accounting Officer	1		1	0	1	1
Chief Financial Officer	1		1	0	1	1
Middle Managers	1		1	0	1	1
Any other financial officials	17		17	0	17	17
Supply Chain Management Officials						
Heads of Supply Chain Management unit	0			0	0	0
Manager: Supply Chain Management	1		1	0	1	1
Total	1		1	0	1	1
Note: This is a statutory report under the National Treasury, Local Government: MFMA Competency Regulations (2007)						

Component D: Managing the Workforce Expenditure

4.4. Employee Expenditure

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower Skilled (Levels 1-2)	F	0
	M	0
Skilled (Levels 3-5)	F	0
	V	0
	M	0
Highly Skilled (Levels 6-8)	F=2	6
	V= 2	
	M=2	0
Highly Skilled supervision (Levels 9-11)	M=18	23
	F=5	0

Management (Levels 12-16)	F=1	3
	M=2	0
MM and s56 Managers	F	0
	F	0
Total		32

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation					
Occupation	Number of employees	Job Level	Evaluation	Remuneration Level	Reason for Deviation
Manager: Thusong Centre	1	12			
Licensing Officer	1	10			
Senior Clerk: Licensing	1	6			
Chief Traffic Officer	1	15			
Drivers	4	4			
Manager: Administration	1	13			
Records Officer	1	10			
Manager: Council Support	1	12			
ICT Officer	1	10			
Integrated Development Planning Officer	1	11			
Programme Officer: Sports, Arts and Culture	1	11			
Manager: Youth	1	11			
Financial Officer Reporting	1	10			
Financial Officer Budget	1	10			

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
NONE	NONE	NONE	NONE	NONE

CHAPTER 5 - FINANCIAL PERFORMANCE

Component A: Statements of Financial Performance

5.1. Statements of Financial Performance

DRAFT



**UMFOLOZI LOCAL MUNICIPALITY
(REGISTRATION NUMBER: KZN281)**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	The provision of services to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Legislation governing the municipality's operations	Constitution of the Republic of South Africa (Act 108 of 1998) Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (act of 6 2004) Division of Revenue Act (Act 1 of 2007)

Appointed on the 9th of November 2021:

Executive Committee

Mayor	Cllr. X.M. Bhengu
Deputy Mayor	Cllr. N.N. Gumede
Speaker	Cllr. MM Mthiyane
Chief Whip	Cllr. C Makhunga
Committee Member	Cllr. B.T. Ntombela
Committee Member	Cllr. T.M. Biyela
Committee Member	Cllr. S.P. Mpanza

Councillors of Municipal Council

Councillor	G.M. Khumalo
Councillor	M.N. Nxumalo
Councillor	A.M. Mtshali
Councillor	J.M. Ngema
Councillor	T.Z. Mdhletshe
Councillor	S.G Mthethwa
Councillor	B.V Mhlongo
Councillor	P.M. Gumbi
Councillor	T. Ndimande
Councillor	N.S. Ngubane
Councillor	K.S.C Msweli
Councillor	N. Conco
Councillor	B.P. Sithole
Councillor	S.E. Sibiya
Councillor	M.E. Shobede
Councillor	B.S Bhengu
Councillor	R.L. Keyser
Councillor	M.B. Makhaza
Councillor	T.D. Ngwenya
Councillor	H.B. Hadebe
Councillor	T.N. Msweli
Councillor	N.B. Mkhwanazi
Councillor	S.R. Thabethe (Former deputy mayor)

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Councillor	S.S Gazu
Councillor	S.M. Shabangu
Councillor	M. Shabalala
Councillor	A.S Msibi
Municipal Public Accounts Committee Chairperson	S.Z Mtetwa

Councillors terminated on 08 November 2021:

S Mgenge (Former mayor)
Z.D Mfusi (Former speaker)
N.T Mthiyane (Former Executive Committee Member)
M.N Mlambo
Z.G Mcineka
S.M Nzama
N.S Madonsela
E.B.Z Mbhele
S.M Mbuyazi
Q.D Mkhize
P.N Khayile
B.M Mkhize (Former Executive Committee Member)
S.T Khumalo (Former Executive Committee Member)
S Mthethwa
M.C Mkhize
C.M Mkhwanazi
S Mdamba
K.S Zwane
J.M Ndimande
N.H Mkhize
M.X Ndlovu

Grading of local authority	Grade 1
Accounting Officer	Mr L.S Jili
Chief Finance Officer (CFO)	Mr. Z.J Ndlovu
Registered office	25 Bredelia Street Kwa-Mbonambi 3915
Business address	25 Bredelia Street Kwa-Mbonambi 3915
Postal address	P.O Box 96 Kwa-Mbonambi 3915
Bankers	ABSA Bank Nedbank
Auditor	Auditor General of South Africa
Legal Representatives	Kloopers Incorporated

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Telephone

(035) 580-1421

Email Address (Accounting Officer)

jilils@umfolozi.org.za

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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Notes to the Annual Financial Statements	30 - 71

The following supplementary information does not form part of the annual financial statements and is unaudited:

Appropriation Statement	72 - 76
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Abbreviations :

MSIG	Municipal System Improvement Grant
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
COVID-19	Coronavirus Disease 2019
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
ICT	Information and Communications Technology
VAT	Value Added Taxation
SALGA	South African Local Government Association

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the Annual Financial Statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

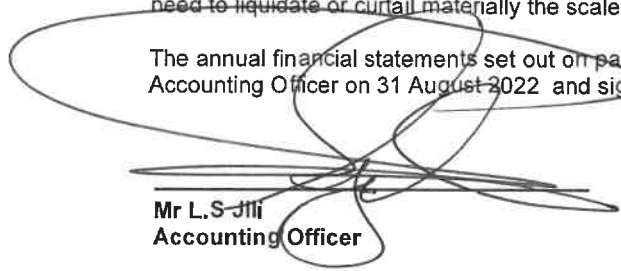
The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The annual financial statements set out on page, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2022 and signed by:



Mr L. S. Jili
Accounting Officer

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Notes	2022	2021 Restated*
Assets			
Current Assets			
Receivables from Exchange transactions	3	1 630 143	1 196 873
Receivables from Non-Exchange Transactions	4	10 844 255	10 026 959
VAT receivable	5	6 038 112	7 976 042
Cash and cash equivalents	6	21 760 836	35 251 293
		40 273 346	54 451 167
Non-Current Assets			
Property, plant and equipment	7	388 161 785	366 476 272
Intangible assets	8	416 213	639 124
		388 577 998	367 115 396
Total Assets		428 851 344	421 566 563
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	15 413 584	11 245 046
Unspent conditional grants and receipts	10	1 030 296	5 612 670
Retentions	11	4 557 625	2 115 817
Other financial liabilities	12	1 008 799	966 530
		22 010 304	19 940 063
Non-Current Liabilities			
Retentions	11	149 627	1 225 584
Other financial liabilities	12	3 482 375	4 262 687
Employee benefit obligations	13	2 002 000	1 891 000
		5 634 002	7 379 271
Total Liabilities		27 644 306	27 319 334
Net Assets		401 207 038	394 247 229
Accumulated surplus		401 207 038	394 247 229
Total Net Assets		401 207 038	394 247 229

* See Note 42

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	15	666 705	597 603
Rental of facilities and equipment	16	777 059	905 390
Licences and permits	17	328 438	19 520
Expected returns on employee benefits	13	270 060	314 000
Operational revenue	18	314 141	456 140
Interest revenue	20	3 358 728	2 772 460
Total revenue from exchange transactions		5 715 131	5 065 113
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	21	25 634 672	23 839 776
Transfer revenue			
Government grants & subsidies	22	204 152 375	225 657 962
Fines, Penalties and Forfeits	23	535 276	75 200
Donation income	24	1 010 143	-
Total revenue from non-exchange transactions		231 332 466	249 572 938
Total revenue	14	237 047 597	254 638 051
Expenditure			
Employee related costs	25	(74 057 652)	(71 569 819)
Remuneration of councillors	26	(12 197 381)	(11 227 222)
Depreciation and amortisation	27	(22 788 720)	(19 669 037)
Finance costs	29	(616 871)	(830 544)
Lease rentals on operating lease	30	(964 872)	(642 523)
Debt Impairment	31	(1 141 734)	(977 978)
Contracted services	32	(59 549 922)	(45 477 127)
Transfers and Subsidies	33	(822 847)	(1 085 875)
Operational costs	34	(47 581 679)	(29 958 888)
Total expenditure		(219 721 678)	(181 439 013)
Operating surplus	35	17 325 919	73 199 038
Loss on disposal of municipal assets		(87 122)	(42 818)
Actuarial gains/losses	13	31 940	(231 000)
Impairment loss	28	(10 310 927)	-
		(10 366 109)	(273 818)
Surplus for the year		6 959 810	72 925 220

* See Note 42

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2020	316 953 499	316 953 499
Changes in net assets		
Prior year adjustment	4 368 510	4 368 510
Net income (losses) recognised directly in net assets	4 368 510	4 368 510
Surplus for the year	72 925 220	72 925 220
Total recognised income and expenses for the year	77 293 730	77 293 730
Total changes	77 293 730	77 293 730
Restated* balance at 01 July 2021	394 247 229	394 247 229
Changes in net assets		
Surplus for the year	6 959 809	6 959 809
Total changes	6 959 809	6 959 809
Balance at 30 June 2022	401 207 038	401 207 038

* See Note 42

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		25 328 020	24 252 029
Grants		199 569 999	225 657 962
Interest income		3 358 728	2 772 460
Fines		535 267	75 200
		<u>228 792 023</u>	<u>252 757 651</u>
Payments			
Employee costs		(86 255 032)	(81 443 330)
Suppliers		(101 033 335)	(81 684 698)
Finance costs		(616 871)	(596 006)
		<u>(187 905 238)</u>	<u>(163 724 034)</u>
Net cash flows from operating activities	37	40 886 785	89 033 617
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(54 809 943)	(56 423 929)
Proceeds from sale of property, plant and equipment	7	1 170 743	644 145
Purchase of other intangible assets	8	-	(774 534)
Net cash flows from investing activities		(53 639 200)	(56 554 318)
Cash flows from financing activities			
Repayment of other financial liabilities		(738 043)	(758 402)
Finance lease payments		-	(1 564 988)
Net cash flows from financing activities		(738 043)	(2 323 390)
Net increase/(decrease) in cash and cash equivalents		(13 490 458)	30 155 909
Cash and cash equivalents at the beginning of the year		35 251 294	5 095 384
Cash and cash equivalents at the end of the year	6	21 760 836	35 251 293

* See Note 42

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference 53
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	723 450	-	723 450	666 705	(56 745)	A.1
Rental of facilities and equipment	821 500	-	821 500	777 059	(44 441)	
Licences and permits	130 000	70 000	200 000	328 438	128 438	
Miscellaneous other revenue	-	-	-	270 060	270 060	
Operational revenue	216 700	(15 000)	201 700	314 141	112 441	
Interest received - investment	2 603 747	400 000	3 003 747	3 358 728	354 981	
Total revenue from exchange transactions	4 495 397	455 000	4 950 397	5 715 131	764 734	

Revenue from non-exchange transactions

Taxation revenue

Property rates	28 233 493	-	28 233 493	25 634 672	(2 598 821)	A.2
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Transfer revenue

Government grants, transfers & subsidies	155 516 300	491 517	156 007 817	154 178 328	(1 829 489)	A.3
Fines, Penalties and Forfeits	277 000	150 000	427 000	535 276	108 276	
Donation income	-	-	-	1 010 143	1 010 143	

Total revenue from non-exchange transactions	184 026 793	641 517	184 668 310	181 358 419	(3 309 891)	
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Total revenue excluding Capital Transfers and contributions)	188 522 190	1 096 517	189 618 707	187 073 550	(2 545 157)	
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Expenditure

Employee related costs	(76 078 911)	2 684 611	(73 394 300)	(74 057 652)	(663 352)	A.4
Remuneration of councillors	(11 856 362)	(1 854 509)	(13 710 871)	(12 197 381)	1 513 490	
Depreciation and amortisation	(17 213 229)	-	(17 213 229)	(22 788 720)	(5 575 491)	
Finance costs	(547 000)	-	(547 000)	(616 871)	(69 871)	
Lease rentals on operating lease	(700 000)	(20 000)	(720 000)	(964 872)	(244 872)	
Debt Impairment	(2 542 000)	-	(2 542 000)	(1 141 734)	1 400 266	A.5
Contracted Services	(40 493 330)	(16 565 385)	(57 058 715)	(59 549 922)	(2 491 207)	
Transfers and Subsidies	(1 450 000)	780 000	(670 000)	(822 847)	(152 847)	
Operational Costs	(36 669 722)	1 264 307	(35 405 415)	(45 727 309)	(10 321 894)	
Inventory consumed	(2 364 500)	367 275	(1 997 225)	(1 854 370)	142 855	
Total expenditure	(189 915 054)	(13 343 701)	(203 258 755)	(219 721 678)	(16 462 923)	

Operating deficit	(1 392 864)	(12 247 184)	(13 640 048)	(32 648 128)	(19 008 080)	
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Loss on disposal of municipal assets	-	-	-	(87 122)	(87 122)	
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Impairment loss	-	-	-	(10 310 927)	(10 310 927)	
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Actuarial gains/losses	-	-	-	31 940	31 940	
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Transfers and subsidies -capital (Monetary calculations National/Provincial/District)	26 149 700	21 956 483	48 106 183	49 974 047	1 867 864	
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uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference 53
Figures in Rand						
	26 149 700	21 956 483	48 106 183	39 607 938	(8 498 245)	
Deficit before taxation	24 756 836	9 709 299	34 466 135	6 959 810	(27 506 325)	
Transfers and subsidies -capital (Monetary calculations National/Provincial/District)	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	24 756 836	9 709 299	34 466 135	6 959 810	(12 506 325)	

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference 53
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Receivables from Exchange transactions	-	-	-	1 630 143	1 630 143
VAT receivable	5 565 862	3 269 868	8 835 730	6 038 112	(2 797 618)
Receivables from Non-Exchange Transactions	23 739 938	(5 912 412)	17 827 526	10 844 255	(6 983 271)
Cash and cash equivalents	30 050 085	(10 095 571)	19 954 514	21 760 836	1 806 322
	59 355 885	(12 738 115)	46 617 770	40 273 346	(6 344 424)

Non-Current Assets

Property, plant and equipment	396 764 390	4 245 484	401 009 874	388 161 785	(12 848 089)
Intangible assets	1 641 032	268 426	1 909 458	416 213	(1 493 245)
	398 405 422	4 513 910	402 919 332	388 577 998	(14 341 334)

Total Assets	457 761 307	(8 224 205)	449 537 102	428 851 344	(20 685 758)
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Liabilities

Current Liabilities

Other financial liabilities	1 223 000	707	1 223 707	1 008 799	(214 908)
Payables from exchange transactions	22 048 992	(3 799 714)	18 249 278	15 413 584	(2 835 694)
Unspent conditional grants and receipts	5 557 633	(4 488 954)	1 068 679	1 030 296	(38 383)
Retentions	-	-	-	4 557 625	4 557 625
	28 829 625	(8 287 961)	20 541 664	22 010 304	1 468 640

Non-Current Liabilities

Other financial liabilities	4 013 837	(549 338)	3 464 499	3 482 375	17 876
Retentions	-	-	-	149 627	149 627
Employee benefit obligations	-	-	-	2 002 000	2 002 000
	4 013 837	(549 338)	3 464 499	5 634 002	2 169 503

Total Liabilities	32 843 462	(8 837 299)	24 006 163	27 644 306	3 638 143
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Net Assets	424 917 845	613 094	425 530 939	401 207 038	(24 323 901)
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	424 917 845	613 094	425 530 939	401 207 038	(24 323 901)
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uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference 53
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Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Sale of goods and services	22 727 404	72 345	22 799 749	25 328 020	2 528 271
Grants	181 666 000	18 250 000	199 916 000	199 569 999	(346 001)
Interest income	2 063 747	(20 000)	2 043 747	3 358 728	1 314 981
Other Revenue	1 306 700	23 250	1 329 950	535 276	(794 674)
	207 763 851	18 325 595	226 089 446	228 792 023	2 702 577

Payments

Employee costs	(87 935 273)	830 102	(87 105 171)	(86 255 032)	850 139
Suppliers	(81 677 552)	(15 011 318)	(96 688 870)	(101 033 335)	(4 344 465)
Finance costs	(547 000)	-	(547 000)	(616 871)	(69 871)
	(170 159 825)	(14 181 216)	(184 341 041)	(187 905 238)	(3 564 197)

Net cash flows from operating activities	37 604 026	4 144 379	41 748 405	40 886 785	(861 620)
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Cash flows from investing activities

Purchase of property, plant and equipment	(30 368 200)	(25 613 689)	(55 981 889)	(54 809 943)	1 171 946
Proceeds from sale of property, plant and equipment	-	-	-	1 170 743	1 170 743
Purchase of other intangible assets	(470 000)	82 701	(387 299)	-	387 299

Net cash flows from investing activities	(30 838 200)	(25 530 988)	(56 369 188)	(53 639 200)	2 729 988
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Cash flows from financing activities

Repayment of other financial liabilities	(676 676)	-	(676 676)	(738 043)	(61 367)
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Net increase/(decrease) in cash and cash equivalents	6 089 150	(21 386 609)	(15 297 459)	(13 490 458)	1 807 001
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Cash and cash equivalents at the beginning of the year	23 960 224	11 291 069	35 251 293	35 251 294	1
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Cash and cash equivalents at the end of the year	30 049 374	(10 095 540)	19 953 834	21 760 836	1 807 002
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The accounting policies on pages 14 to 29 and the notes on pages 30 to 71 form an integral part of the annual financial statements.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

Figures in Rand	Note(s)	2022	2021
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1. Presentation of Annual Financial Statements

The Annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These Annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These Annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

The amounts presented in the Annual Financial Statements are rounded-off to the nearest rand.

1.2 Going concern assumption

These Annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the Annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis.

Significant judgements include:

Trade receivables and/or loans and receivables

The municipality assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The Municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Useful lives of Property, Plant and Equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property plant and equipment. This estimate is based on the pattern in which an asset's future economic benefit or service potential are expected to be consumed by the municipality. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives, and vice versa.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 13.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provision for impairment

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

An impairment of the trade receivables is accounted for by reducing the carrying amount of the trade receivable through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When the trade receivable is uncollectable, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. Groups of debtors with similar credit risk characteristics are assessed for impairment considering factors such as socio-economic conditions, type of customer, the default period and service-specific payment histories.

Provision for impairments is calculated by categorising the outstanding debtors into three:

Category A are government properties and those who owe less than 60 days. The provision is provided for at 0%.

Category B are those who are irregular payers and the debt is from 60 - 120 days. The provision is provided for at 25%.

Category C are bad payers and debt that is more than 120 days. The provision is provided for at 50%.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. All assets that can be classified as assets and that are constructed by the Municipality should be recorded in the asset register and depreciated over their estimated useful life for that category of asset. Work in progress shall be flagged as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.5 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Intangible Assets	Straight-line	2-5 Years
Community Assets	Straight-line	5-30 Years
Furniture and Office Equipment	Straight-line	5-15 Years
Other Assets	Straight-line	10-30 Years
ICT Infrastructure	Straight-line	5-80 Years
Storm Water Infrastructure	Straight-line	5-80 Years
Road Infrastructure	Straight-line	5-80 Years
Water Supply Infrastructure	Straight-line	5-80 Years
Computer Equipments	Straight-line	5-30 Years
Machinery and Equipment	Straight-line	5-30 Years
Transport Assets	Straight-line	5-30 Years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 7).

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Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	5 Years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement - A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

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1.7 Financial instruments (continued)

Subsequent measurement – financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of Financial Performance.

Subsequent measurement – financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

uMfolozi Local Municipality

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Accounting Policies

1.8 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Value-Added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act No.89 of 1991.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

uMfolozi Local Municipality

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Accounting Policies

1.11 Employee benefits (continued)

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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Accounting Policies

1.12 Provisions and contingencies (continued)

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

1.15 Revenue from Exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of refuse removal) to the other party in exchange.

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Accounting Policies

1.15 Revenue from Exchange transactions (continued)

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

the amount of revenue can be measured reliably;

it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;

the stage of completion of the transaction at the reporting date can be measured reliably; and

the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements.

uMfolozi Local Municipality

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Accounting Policies

1.16 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the municipality receives value from another municipality without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the Municipality is entitled to collect.

Subsequent to initial recognition and measurement, the Municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate:

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The Municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

uMfolozi Local Municipality

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Accounting Policies

1.16 Revenue from non-exchange transactions (continued)

Donations and Contributions

Donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue:

1.17 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Conditional Grants

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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1.22 Irregular expenditure (continued)

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.23 Segment information

Basis of segmentation

Segment were identified based on the MFMA S71 monthly budget statements that are reviewed by the executive management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered in a standardised format, and is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

Segments are aggregated for reporting purposes when management considered that the economic characteristics and nature or services are sufficiently similar to warrant aggregation. The components of each aggregated segment is explained under the description of operations of the segments.

Reportable segments are identified based on activities of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Accounting policy and measurement basis

The accounting policies of the reportable segments are the same as the municipality's accounting policies.

Inter-segment pricing is determined on an arm's length basis, similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the "elimination of intersegment transactions" column of the segment report.

Geographic information

All the municipality's operations are located in the Republic of South Africa in the KwaMbonambi area.

A segment is an activity of an entity:

- That generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- For which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.24 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2021 to 30 June 2022.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

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Accounting Policies

1.25 Related parties

In accordance with the Standard of GRAP 20, a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions. Management comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.27 Statutory receivables identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

Statutory receivables include:

- Taxes income tax, property rates
- Fines usually breach of law

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.27 Statutory receivables identification (continued)

- Appropriations, grants and transfer payments i.t.o . budget legislation
- Other charges licences , levies

Recognition

- If the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The Municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

1.16 Statutory receivables (continued) Accrued interest

Where the Municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Derecognition

The Municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

There are no new standards that were issued and effective in the current year. The municipality has applied all standards and interpretations that were issued by the accounting standards board that are applicable to the municipality consistently with prior year.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 Financial Instruments(revised)	01 April 2023	Unlikely there will be a material impact
• GRAP 25 Employee Benefits (revised)	01 April 2023	Unlikely there will be a material impact
• GRAP 18 Segment Reporting	01 April 2023	Unlikely there will be a material impact
• GRAP 103 Heritage Assets	01 April 2023	Unlikely there will be a material impact
2.2 Standards and interpretations issued, but not yet effective		
• Guideline: Guideline on Accounting for Landfill sites	01 April 2022	Unlikely there will be a material impact
• GRAP 25 (As revised) Employee Benefits	01 April 2022	Unlikely there will be a material impact
• GRAP 104 (as revised) Financial Instruments	01 April 2022	Unlikely there will be a material impact

GRAP 25 (as revised): Employee Benefits

Background

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially "misstated" over time. If the effect was considered material, retrospective adjustments were often made. This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

iGRAP 21 addresses the following two issues:

- Do past decisions about materiality affect subsequent reporting periods?
- Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

The effective date of these interpretation is 01 April 2023.

The municipality expects to adopt the interpretation for the first time in the 2023/2024 financial year.

It is unlikely that the interpretation will have a material impact on the municipality's financial statements

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Summary of amendments are

Information should not be obscured by aggregating or by providing immaterial information;

- Materiality considerations apply to all parts of the financial statements; and
- Even when a Standard of GRAP requires a specific disclosure, materiality considerations apply

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2025.

The municipality expects to adopt the amendment for the first time in the 2025/2026 financial statements. The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the financial statements..

3. Receivables from Exchange transactions

Prepayments and other receivables	1 119 414	689 029
Refuse	846 736	838 517
Provision for Impairment	(336 007)	(330 673)
	1 630 143	1 196 873

Refuse

Current (0-30 days)	30 203	51 364
31 - 60 days	24 736	28 422
61 - 90 days	17 683	28 936
91 - 120 days	17 297	19 181
121 - 365 days	756 817	710 614
	846 736	838 517

Reconciliation of Provision for Impairment

Opening balance	330 674	215 840
Provision for impairment	5 333	114 834
	336 007	330 674

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
4. Receivables from Non exchange transactions		
Gross balances		
Consumer debtors	18 236 924	17 317 311
Less: Allowance for impairment		
Consumer debtors	(7 392 669)	(7 290 352)
Net balance		
Consumer debtors	10 844 255	10 026 959
Reconciliation of impairment provision for Consumer debtors		
Opening balance	7 290 352	6 418 170
Provision for impairment	102 317	872 182
	7 392 669	7 290 352
Reconciliation of impairment provision		
Reconciliation of the traffic fines		
Fines	12 133 139	11 657 825
allowance for impairment	(12 133 139)	(11 657 825)
	-	-
Reconciliation of provision for impairment of fines		
Opening balance	11 657 825	11 549 517
Add: Fines identified in the prior year	-	102 368
Provision for impairment	475 314	5 940
	12 133 139	11 657 825
Rates		
Current (0 -30 days)	922 469	1 024 112
31-60 Days	780 621	4 241 132
61 - 90 days	2 432 893	717 411
91 - 120 days	357 987	712 466
121 - 365 days	10 472 496	9 834 623
	14 966 466	16 529 744
Interest		
Current (0 -30 days)	92 035	14 357
31 - 60 days	94 457	14 836
61 - 90 days	89 318	23 241
91 - 120 days	87 213	-
121 - 365 days	2 907 435	735 133
	3 270 458	787 567

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
4. Receivables from Non exchange transactions (continued)		
Summary of Consumer Debtors by Customer Classification		
Residential		
Current (0 -30 days)	155 560	195 535
31 - 60 days	109 138	(9 548)
61 - 90 days	94 019	78 962
91 - 120 days	86 494	33 778
121 - 365 days	4 010 581	4 405 777
	4 455 792	4 704 504
Commercial and Industrial		
Current (0 -30 days)	859 386	1 042 957
31 - 60 days	751 920	(883)
61 - 90 days	366 727	479 515
91 - 120 days	346 688	102 350
121 - 365 days	8 118 701	4 490 343
	10 443 422	6 114 282
National and provincial government		
Current (0 -30 days)	13 579	4 025 669
31 - 60 days	2 061 465	(3 082)
61 - 90 days	12 018	97 921
91 - 120 days	12 197	25 567
121 - 365 days	1 238 452	2 352 450
	3 337 711	6 498 525
Total		
Current (0 -30 days)	1 028 524	1 075 476
31 - 60 days	2 922 523	4 269 554
61 - 90 days	472 764	746 347
91 - 120 days	445 379	731 648
121 - 365 days	13 367 734	10 494 286
	18 236 924	17 317 311

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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4. Receivables from Non exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Statutory receivables included in receivables from non-exchange transactions are as follows, on a gross basis:

Property rates	18 236 924	16 529 744
Traffic fines	12 133 139	11 657 825
	30 370 063	28 187 569

Statutory receivable that are past due and impaired included in receivables from non-exchange transactions are as follows:

Property rates	(7 392 669)	(7 290 352)
Traffic fines	(12 133 139)	(11 657 825)
	(19 525 808)	(18 948 177)

Statutory receivables included in receivables from non-exchange transactions above are as follows, net of impairment:

Property rates	10 844 255	10 026 959
Traffic fines	-	-

Receivable from Non-exchange Transactions Statutory receivables general information

Property rates is levied in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004 as amended by Local Government: Municipal Property Rates Amendment Act, No. 29 Of 2014, this therefore is recognised as a statutory receivable. The receivable is calculated by applying the Council Approved rates randage against the valuation of individual properties within the municipality jurisdiction. Council approved rebates and exemptions are further applied to reduce the receivable.

Traffic fines are issued to offenders in terms of Criminal Procedures Act, hence this is therefore recognised as a statutory receivable. The receivable is calculated by determining the value of the fine to be paid on initial recognition, and accounting for subsequent measurement by taking into account reductions and discounts made to the value of the fine payable in terms of the court of law

Interest or other charges levied/charged

The Municipality charges interest on all outstanding rates debtors' balances older than 30 days in respect of rate accounts at a simple interest rate of prime plus 1% determined as at 28 February of each year for the financial year starting 1 July.

No interest is charged on outstanding fines, and any additional penalties applied by the court is paid by the offender to the court directly, and is therefore not considered to be revenue for the Municipality

Basis used to assess and test whether a statutory receivable is impaired

The Municipality assess at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

If there is an indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivable is reduced. The amount of the loss is recognised in the surplus or deficit.

Statutory receivables past due but not impaired

Certain statutory receivables which are less than 3 months past due are not considered to be impaired. Other statutory receivable that are older than 3 months are not considered for impairment if there is indication they would be collected. At 30 June 2022, R4 442 069 (2021: R 2 475 938) were past due but not impaired.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
4. Receivables from Non exchange transactions (continued)		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	35 850	97 921
2 months past due	2 061 491	25 567
3 months past due	2 344 728	2 352 450
5. VAT receivable		
VAT	6 038 112	7 976 042
VAT summary		
Opening balance	7 976 042	5 452 373
Movement	(1 937 930)	2 523 669
	6 038 112	7 976 042

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 310	17 490
Main Bank balance	(124 861)	185 344
Other Bank balances	21 884 387	35 048 459
	21 760 836	35 251 293

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
ABSA Bank- Account Type- Cheque- 40 5385 7155	(124 861)	185 344	5 076 962	(124 861)	185 344	5 076 962
ABSA Bank- Account Type- Traffic- 40 7854 4599	54 142	36 897	-	54 142	36 897	-
ABSA Bank- Account Type- INEP- 92 8652 5057	1 026	1 017	1 000	1 026	1 017	1 000
ABSA Bank- Account Type- MIG- 92 8651 3913	1 261	1 250	1 229	1 262	1 250	1 229
ABSA Bank- Account Type- EPWP - 92 861 3769	997	997	984	998	997	984
ABSA Bank- Account Type- FMG- 92 8652 5340	1 118	1 110	1 091	1 117	1 110	1 091
ABSA Bank- Account Type- MSIG- 92 8651 3028	1 380	1 370	1 347	1 380	1 370	1 347
ABSA Bank- Account Type- Call- 91 0739 9765	2 069	2 093	2 069	2 069	2 093	2 055
ABSA Bank- Account Type- Traffic- 40 6506 2322	24 619	3 036	-	24 620	3 033	-
ABSA Bank- 93 3848 2339	1 075 566	35 000 692	1 605	1 075 566	35 000 692	1 605
Nedbank Investmen- Account Type -1766000029	20 722 205	-	-	20 722 205	-	-
Total	21 759 522	35 233 806	5 086 287	21 759 524	35 233 803	5 086 273

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	16 742 853	-	16 742 853	16 742 853	-	16 742 853
Machinery and Equipment	5 667 385	(1 750 375)	3 917 010	5 315 449	(1 218 563)	4 096 886
Furniture and office Equipment	6 625 248	(3 174 782)	3 450 466	6 582 486	(2 715 573)	3 866 913
Computer Equipment	4 806 451	(1 670 819)	3 135 632	3 775 506	(1 254 301)	2 521 205
Road Infrastructure	153 709 744	(42 875 749)	110 833 995	129 471 056	(30 976 794)	98 494 262
Community Assets	176 655 284	(48 960 927)	127 694 357	165 615 940	(37 319 232)	128 296 708
Storm Water Infrastructure	3 028 547	(336 950)	2 691 597	2 561 416	(277 603)	2 283 813
Water Supply Infrastructure	28 646	(11 060)	17 586	28 646	(9 106)	19 540
Other Assets	65 463 209	(15 801 532)	49 661 677	65 445 209	(13 415 665)	52 029 544
Work in Progress	55 785 923	(1 664 569)	54 121 354	42 822 068	-	42 822 068
Transport Assets	19 735 465	(5 858 974)	13 876 491	19 689 322	(6 809 144)	12 880 178
ICT Infrastructure	3 083 353	(1 064 586)	2 018 767	3 083 353	(661 051)	2 422 302
Total	511 332 108	(123 170 323)	388 161 785	461 133 304	(94 657 032)	366 476 272

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers in (out)	Donations	Depreciation	Impairment loss	Total
Land	16 742 853	-	-	-	-	-	-	16 742 853
Machinery and Equipment	4 096 886	329 510	(78 048)	-	219 800	(651 143)	-	3 917 005
Furniture and office equipment	3 866 913	675 235	(216 491)	-	-	(875 191)	-	3 450 466
Computer Equipment	2 521 205	1 205 051	(41 376)	-	52 555	(601 803)	-	3 135 632
Road Infrastructure	98 494 262	52 644	-	24 186 044	-	(8 979 610)	(2 919 345)	110 833 995
Community Assets	128 296 708	-	-	11 039 343	-	(5 928 754)	(5 712 940)	127 694 357
Storm Water Infrastructure	2 283 813	-	-	467 130	-	(56 950)	(2 396)	2 691 597
Water Supply Infrastructure	19 540	-	-	-	-	(1 954)	-	17 586
Other Assets	52 029 544	17 999	-	-	-	(2 380 420)	(5 446)	49 661 677
Work-in-Progress	42 822 068	48 656 372	-	(35 692 517)	-	-	(1 664 569)	54 121 354
Transport Assets	12 880 178	3 873 132	(921 950)	-	737 788	(2 692 657)	-	13 876 491
ICT Infrastructure	2 422 302	-	-	-	-	(403 535)	-	2 018 767
	-	-	-	-	-	-	-	-
	366 476 272	54 809 943	(1 257 865)	-	1 010 143	(22 572 017)	(10 304 696)	388 161 780

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers In/(Out)	Depreciation	Prior year adjustment	Total
Land	16 742 853	-	-	-	-	-	16 742 853
Machinery and Equipment	3 427 461	1 152 740	(10 457)	-	(472 858)	-	4 096 886
Furniture and Office Equipment	4 474 243	252 223	(47 130)	-	(812 423)	-	3 866 913
Computer Equipment	2 260 473	641 222	(385)	-	(462 988)	82 883	2 521 205
Road Infrastructure	92 165 637	41 581	-	13 434 064	(7 147 020)	-	98 494 262
Community Assets	130 941 107	246 161	-	-	(5 997 399)	3 106 839	128 296 708
Storm Water Infrastructure	1 884 774	-	-	446 552	(47 513)	-	2 283 813
Water Supply Infrastructure	21 494	-	-	-	(1 954)	-	19 540
Other Assets	54 036 200	371 473	-	-	(2 378 129)	-	52 029 544
Work-in-Progress	11 986 232	44 933 613	-	(13 880 616)	-	(217 161)	42 822 068
Transport Assets	7 490 606	7 748 717	(586 174)	-	(1 772 971)	-	12 880 178
ICT Infrastructure	1 857 971	951 999	-	-	(387 668)	-	2 422 302
	327 289 051	56 339 729	(644 146)	-	(19 480 923)	2 972 561	366 476 272

Pledged as security

There is no Property, plant and equipment pledged as security.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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7. Property, plant and equipment (continued)

Property, plant and equipment- Fully depreciated

The Municipality has thirty nine assets (39) included in the Fixed Assets Register which have a net book value of zero. These assets are in a poor condition and have been budgeted for replacement.

The Municipality will therefore continue to measure these assets at a net book value of zero.

The class of assets which are affected as well as the total cost is detailed below:

Community Assets	2 949 319	2 949 319
Furniture and office equipment	56 851	56 851
Other Assets	15 005	15 005
Road infrastructure	363 412	363 412
	3 384 587	3 384 587

Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that has been impaired

Cinci MPCC	439 131	439 131
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The project was discontinued as it was not prioritised in the 2017/2018 IDP (projects to be executed). The project will be continued in the 2022/23 financial period, however the project will be constructed in a different location. Due to the above, the project has been impaired as there is no recoverable service benefit.

Dondotha Sports Complex

The Dondotha Sports complex which comprises of work in progress infrastructure assets were severely damaged by heavy floods in January 2022 that caused extensive damage to the infrastructure and as a result the structure was due to be impaired.

1 225 438

Carrying value of property, plant and equipment that is taking a longer period of the time to complete than expected.

Dondotha Sports Complex	38 959 610	29 652 610
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The contractor has applied for an extension for the project. The delay was due to heavy rains, the COVID-19 pandemic, lockdown regulations and the July 2021 civil unrest. The project will be completed during the 2022/23 financial period.

39 398 741 **30 091 741**

Reconciliation of Work-in-Progress 2022

	Infrastructure Assets	Community Assets	Machinery and Equipment	Total
Opening balance	9 535 744	33 286 241	-	42 821 985
Additions/capital expenditure	25 911 892	17 897 334	990 000	44 799 226
Capitalised	(20 795 924)	(11 039 364)	-	(31 835 288)
Impairment	-	(1 664 569)	-	(1 664 569)
	14 651 712	38 479 642	990 000	54 121 354

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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7. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2021

	Infrastructure Assets	Community Assets	Total
Opening balance	9 373 523	2 612 709	11 986 232
Additions/capital expenditure Capitalised	14 344 362	30 589 227	44 933 589
Prior period adjustment	(13 880 593)	-	(13 880 593)
	(301 465)	84 305	(217 160)
	9 535 827	33 286 241	42 822 068

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Furniture and office equipment	116 394	14 899
Community assets	2 401 464	4 984 565
Other assets	2 246 403	971 624
Transport assets	2 590 520	1 007 359
Machinery and equipment	1 047 994	901 075
Storm water	998 364	888 512
	9 401 139	8 768 034

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

8. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 668 309	(1 252 096)	416 213	1 668 309	(1 029 185)	639 124

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Impairment loss	Total
Computer software, other	639 124	(216 702)	(6 209)	416 213

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Prior period adjustments	Total
Computer software, other	1 960 620	600 000	(216 702)	(1 704 794)	639 124

Pledged as security

There are no intangible assets pledged as security.

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
9. Payables from exchange transactions		
Trade payables	6 739 565	3 665 704
Unallocated Deposits	549 951	157 721
Accrued leave pay	5 084 212	4 796 897
Accrued Bonus Provision	1 632 652	1 639 157
Accruals	601 049	173 738
Other creditors	11 452	24 263
Prepayments	794 703	787 566
	15 413 584	11 245 046
10. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Development Planning and Shared Services Grant	172 498	172 498
Expanded Public Works Program Grant	-	346 722
Maintenance of Sport Facilities Grant	-	37 605
Schemes Support Programme Grant	60 800	60 800
Small Town Rehabilitation Grant	336 034	336 034
Spatial Development Framework Grant	260 964	260 964
Sports and Recreation Grant	-	4 198 047
Title Deeds Restoration Grant	200 000	200 000
	1 030 296	5 612 670
See note 22 for reconciliation of grants from National/Provincial Government.		
These amounts are invested in a ring-fenced investment until utilised.		
11. Retentions		
Non-current portion	149 627	1 225 584
Current portion	4 557 625	2 115 817
	4 707 252	3 341 401
12. Other financial liabilities		
At amortised cost		
ABSA Loan	4 491 174	5 229 217
The following loan bears interest at 10.93% per annum, with bi-annual instalments of R611 853.57 in January and July of each year. The loan is fully repayable by 1 July 2026.		
Non-current liabilities		
At amortised cost	3 482 375	4 262 687
Current liabilities		
At amortised cost	1 008 799	966 530

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand

2022

2021

13. Employee benefit obligations

Defined benefit plan : Long term service

The municipality provides certain long term service bonus awards. The Municipality offers bonuses for every 5 years of completed service from 5 years to 20 years. Long term service accumulated leave must be taken within one year of receiving such leave or may be wholly or partially cashed out. Municipal employees, in most cases choose to exercise the option to convert their accumulated leave bonus to cash.

Completed service (Years)	Long Service Bonus Awards (% of Annual Salary)
5	5
10	10
15	4
30	30

A day of accumulated leave is worth 1/249 of annual salary.

Valuation Method:

In accordance with the requirements of GRAP 25, the Projected Unit Credit method was applied. Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in the future based on service accrued to the valuation date and awards projected to the retirement date. In determining these liabilities, due allowance has been made for future award increases.

The valuation has been made with the requirements of GRAP 25.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	1 891 000	1 584 000
Net expenses recognised in the statement of financial performance	111 000	307 000
	2 002 000	1 891 000

Net expense recognised in the statement of financial performance

Current service cost	284 000	251 000
Interest cost	129 000	139 000
Actuarial (gains) losses	(31 940)	231 000
Benefits Paid	(270 060)	(314 000)
	111 000	307 000

Assumption

Discount rate	10.26%	7.40%
Consumer price index	7.41%	4.62%
Salary increase rate	8.41%	5.62%
Net Discount Rate	1.71%	1.69%

uMfolozi Local Municipality

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Figures in Rand	2022	2021
14. Revenue		
Service charges	666 705	597 603
Rental of facilities and equipment	777 059	905 390
Licences and permits	328 438	19 520
Expected Returns on Employee benefits	270 060	314 000
Operational Revenue	314 141	456 140
Interest received - investment	3 358 728	2 772 460
Property rates	25 634 672	23 839 776
Government grants & subsidies	204 152 375	225 657 962
Fines, Penalties and Forfeits	535 276	75 200
Donation Income	1 010 143	-
	237 047 597	254 638 051
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	666 705	597 603
Rental of facilities and equipment	777 059	905 390
Licences and permits	328 438	19 520
Miscellaneous other revenue	270 060	314 000
Operational revenue	314 141	456 140
Interest received - investment	3 358 728	2 772 460
	5 715 131	5 065 113
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	25 634 672	23 839 776
Transfer revenue		
Government grants & subsidies	204 152 375	225 657 962
Fines, Penalties and Forfeits	535 276	75 200
Donations income	1 010 143	-
	231 332 466	249 572 938
15. Service charges		
Refuse removal	666 705	597 603
16. Rental of facilities and equipment		
Premises		
Rental of facilities and equipment	777 059	905 390
17. Licences and permits		
Learner driver application	328 438	19 520
18. Operational Revenue		
Sundry income	314 141	456 140
19. Operational revenue		
Sundry Income	314 141	456 140

uMfolozi Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
20. Interest revenue		
Interest on Investments	2 194 852	1 617 898
Interest charged on trade and other receivables	1 163 876	1 154 562
	3 358 728	2 772 460

uMfolozi Local Municipality

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Figures in Rand	2022	2021
21. Property rates		
Rates received		
Property rates	34 555 182	32 290 100
Less: Income forgone	(8 920 510)	(8 450 324)
	25 634 672	23 839 776
Property rates by category		
Residential Properties	2 854 630	2 673 497
Agricultural Property	3 590 535	3 379 229
Business and Commercial Properties	4 530 229	4 246 350
Public Service Infrastructure Properties	54 866	43 573
State-owned Properties	16 592 142	15 449 103
Industrial properties	6 932 779	6 498 348
	34 555 181	32 290 100
Property rates foregone		
Residential Properties	(1 245 364)	(1 194 116)
Agricultural Property	(1 436 214)	(1 370 802)
Business and Commercial Properties	(1 141 754)	(1 061 588)
Public Service Infrastructure Properties	(47 185)	(40 258)
State-owned Properties	(3 325 993)	(3 157 095)
Industrial properties	(1 724 000)	(1 626 465)
	(8 920 510)	(8 450 324)
Valuations		
Agricultural	1 105 918 000	1 115 218 000
Commercial	84 691 000	84 691 000
Communal land	175 075 000	175 075 000
Industrial	133 153 000	133 153 000
Municipal	31 354 000	31 354 000
Place of worship	1 948 000	1 948 000
Public benefit organisation	4 065 000	6 845 000
Public service infrastructure	19 926 000	19 926 000
Public service purposes	291 365 000	293 455 000
Residential	201 507 000	200 782 000
Residential hospitality	2 200 000	2 200 000
Sectional title- Commercial	2 115 000	2 115 000
Sectional title- Residential	20 690 000	20 690 000
	2 074 007 000	2 087 452 000
The Municipality of uMfolozi has determined the rates payable on all rate-able property within the area of uMfolozi Municipality financial year effective from 01 July 2021 to 30 June 2022. The Budget related tariffs were approved by Council at its meeting held on the 26th May 2021. The revised Property Rates Tariffs are as follows:		
Property Rates Category - Tariffs		
Agricultural	0.00324	0.00300
Business	0.05179	0.04886
Industrial	0.05179	0.04886
Residential	0.01297	0.01200
Business/Hotel	0.05179	0.04886
Public Service Purposes	0.05828	0.05498
Public Service Infrastructure	0.00324	0.00300
Church/PBO	Exempt	Exempt
Municipal Properties	Exempt	Exempt

uMfolozi Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
21. Property rates (continued)		
Refuse Tariffs - Vat inclusive		
Residential	10% of Monthly assessment rates	10% of Monthly assessment rates
Commercial and Industrial	15% of Monthly assessment rates	15% of Monthly assessment rates
Government and Other	15% of Monthly assessment rates	15% of Monthly assessment rates
22. Government grants and subsidies		
Operating grants		
Equitable share	147 696 000	166 548 000
Library Grant	3 037 000	2 898 000
Financial Management Grant	1 850 000	1 900 000
Expanded Public Works Program Grant	1 557 722	1 441 278
Maintenance of Sport Facilities Grant	37 606	527 607
	154 178 328	173 314 885
Capital grants		
Sports and Recreation Grant	7 448 047	8 751 077
Municipal Infrastructure Grant	42 526 000	43 592 000
	49 974 047	52 343 077
	204 152 375	225 657 962
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
The difference of 2022: 0 (2021: R 745 000) between the balance as per accounts and DORA allocation is brought about unspent grant of Municipal Distater grant which was reverted to the National Revenue Fund.		
Equitable share reconciliaiton		
Equitable share allocation	147 696 000	167 293 000
Equitable share disclosed	(147 696 000)	(166 548 000)
	-	745 000
Municipal Infrastructure Grant (MIG)		
Current-year receipts	42 526 000	43 592 000
Conditions met - transferred to revenue	(42 526 000)	(43 592 000)
	-	-
Spatial Development Framework Grant		
Balance unspent at beginning of year	260 964	260 964

uMfolozi Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
22. Government grants and subsidies (continued)		
Library Grant		
Current-year receipts	3 037 000	2 898 000
Conditions met - transferred to revenue	(3 037 000)	(2 898 000)
	-	-
Financial Management Grant		
Current-year receipts	1 850 000	1 900 000
Conditions met - transferred to revenue	(1 850 000)	(1 900 000)
	-	-
Title Deeds Restoration Grant		
Balance unspent at beginning of year	200 000	200 000
Development Planning and Shared Services Grant		
Balance unspent at beginning of year	172 498	172 498
Small Town Rehabilitation Grant		
Balance unspent at beginning of year	336 034	336 034
Sport and Recreation Grant		
Balance unspent at beginning of year	4 198 046	4 162 124
Current-year receipts	3 250 000	8 787 000
Conditions met - transferred to revenue	(7 448 046)	(8 751 078)
	-	4 198 046
Schemes Support Program Grant		
Balance unspent at beginning of year	60 800	60 800
Maintenance of Sport Facilities Grant		
Balance unspent at beginning of year	37 605	565 212
Conditions met - transferred to revenue	(37 605)	(527 607)
	-	37 605
Expanded Public Works Programme Grant		
Balance unspent at beginning of year	346 722	-
Current-year repayments	(346 000)	-
Current-year receipts	1 557 000	1 788 000
Conditions met - transferred to revenue	(1 557 722)	(1 441 278)
	-	346 722

uMfolozi Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
22. Government grants and subsidies (continued)		
Integrated National Electrification Grant		
Current-year receipts	-	9 000 000
Conditions met - transferred to revenue	-	(9 000 000)
	-	-
23. Fines, Penalties and Forfeits		
Motor licenses and traffic fines	534 550	75 200
Illegal Dumping Fines	726	-
	535 276	75 200
24. Donation Income		
Isuzu Truck FRR 600 Tipper Compact	737 788	-
FAW Generator	109 900	-
FAW Generator	109 900	-
Dell latitude 5520 Laptop	26 277	-
Dell latitude 5520 laptop	26 277	-
	1 010 142	-

A refuse truck was donated by COGTA to the Municipality. The asset was purchased by Provincial COGTA of KZN on 10 October 2019. The asset was donated to the Municipality on 15th of May 2021 and brought into use from 1st of July 2021

Two generators and two laptops were donated to the municipality on the 2nd of June 2022 by the provincial Department of Arts and Culture

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
25. Employee related costs		
Basic	44 767 232	43 324 572
Bonus	2 896 071	2 858 366
Medical aid - company contributions	3 619 313	3 311 201
UIF	347 763	295 964
SDL	723 054	579 717
Pension	5 859 485	5 485 425
Leave pay provision charge	1 362 565	2 087 082
Overtime payments	3 373 608	3 006 813
Acting allowances	303 469	405 565
Car allowance	7 164 607	7 110 179
Housing benefits and allowances	171 697	213 212
Cellphone allowances	532 030	558 289
Stand-by Allowance	839 145	617 455
Group Life Insurance	1 792 199	1 443 882
Current Service costs	284 000	251 000
Bargaining Council	21 414	21 097
	74 057 652	71 569 819
Senior management remuneration included in employee related cost is as follows:		
Remuneration of Municipal Manager - KE Gamede		
Annual Remuneration	694 893	694 893
Car Allowance	297 812	297 812
Contributions UIF and SALGA	2 249	1 932
	994 954	994 637
Remuneration of Former Chief Financial Officer- KN Mthethwa		
Annual Remuneration	-	264 610
Acting allowance	-	6 857
Car allowance	-	76 934
Cellphone allowance	-	7 500
Contributions	-	793
Leave pay	-	150 574
	-	507 268
Remuneration of Chief Financial Officer - ZJ Ndlovu		
Annual Remuneration	570 544	142 636
Car Allowance	244 519	61 130
Cellphone Allowance	7 500	4 500
Contributions UIF and SALGA	2 249	504
	824 812	208 770
Remuneration of Technical Services Director - SG Hlatshwayo		
Annual Remuneration	611 297	611 297
Car Allowance	203 766	203 766
Cellphone Allowance	18 000	18 000
Contributions UIF and SALGA	2 249	1 932
	835 312	834 995

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

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Figures in Rand	2022	2021
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25. Employee related costs (continued)

Remuneration of Corporate Services Director - AS Shandu

Annual Remuneration	570 544	332 817
Car Allowance	244 519	142 636
Cellphone allowance	18 000	10 500
Contributions UIF and SALGA	2 249	1 139
	835 312	487 092

Remuneration of Former Community Services Director- VNN Nsele

Annual Remuneration	-	509 414
Car Allowance	-	169 805
Cellphone allowance	-	15 000
Contributions UIF and SALGA	-	1 735
Leave pay	-	144 027
	-	839 981

Remuneration of Community Services Director- SS Maphanga

Annual Remuneration	47 545	-
Car Allowance	20 377	-
Cellphone allowance	1 500	-
Contributions to UIF and SALGA	177	-
	69 599	-

Shareholders unit

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
26. Remuneration of councillors		
Hon. Mayor	735 674	524 648
Deputy Mayor	559 200	428 598
Hon. Speaker	602 816	428 598
MPAC	344 275	394 018
Chief Whip	259 191	-
Executive committee members	1 182 144	1 213 779
All other Councillors	8 514 081	8 237 581
	12 197 381	11 227 222
Honourable Mayor		
Salary Mayor	650 990	360 186
Travel allowance	42 914	120 062
Cellphone and data allowance	41 770	44 400
	735 674	524 648
Deputy Mayor		
Salary	504 728	288 149
Travel allowance	35 972	96 049
Cellphone and data allowance	18 500	44 400
	559 200	428 598
Honourable Speaker		
Salary	569 938	384 198
Cellphone and data allowance	32 878	44 400
	602 816	428 598
MPAC		
Salary	229 654	262 213
Travel allowance	76 551	87 405
Cellphone and data allowance	38 070	44 400
	344 275	394 018
Chief Whip		
Salary	230 438	-
Cellphone and data allowance	28 753	-
	259 191	-
Executive Committee members		
Salary	937 081	900 483
Travel allowance	116 900	133 200
Cellphone and data allowance	128 163	180 096
	1 182 144	1 213 779
All other councillors		
Salary	6 884 367	6 265 890
Travel allowance	433 904	817 291
cellphone and data allowance	1 195 810	1 154 400
	8 514 081	8 237 581

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
26. Remuneration of councillors (continued)		
In-kind benefits		
The Honourable Mayor, Deputy Mayor, Honourable Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Hon. Mayor, Hon. Speaker and the Deputy Mayor each have the use of separate Council owned vehicles for official duties. From November 2021 till March 2022 the political office bearers made use of the hired services and in March 2022 two vehicles were procured for Hon. Mayor and Deputy Mayor. The Hon. Speaker's vehicle was procured at year end.		
Additional information		
The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.		
27. Depreciation and amortisation		
Property, plant and equipment	22 572 018	19 433 479
Intangible assets	216 702	235 558
	22 788 720	19 669 037
28. Impairment of assets		
Impairments		
Property, plant and equipment	10 310 927	-
Cinci MPCC		
The project was discontinued as it was not prioritised in the 2017/2018 IDP (projects to be executed). The project will be continued in the 2022/23 financial period, however the project will be constructed in a different location. Due to the above, the project has been impaired as there is no recoverable service benefit.		
29. Finance costs		
Finance leases	-	131 700
Other financial liabilities	485 664	559 844
Interest paid	131 207	139 000
	616 871	830 544
30. Lease rentals on operating lease		
Equipment		
Contractual amounts	964 872	642 523
Operating lease payments represents rentals payable by the municipality for certain of its photocopiers		
31. Debt impairment		
Contributions to debt impairment provision	1 141 734	977 978

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
32. Contracted services		
Outsourced Services		
Catering Services	2 240 719	903 923
Information technology services	-	10 959
Cleaning Services	2 533 827	1 653 667
Other contractors	296 855	10 300
Researcher	368 886	466 380
Electrical	165 275	157
Consultants and Professional Services		
Business and Advisory	25 606 717	22 888 600
Legal Cost	167 945	239 271
Contractors		
Electrical	2 757 600	-
Event Promoters	445 212	500 250
Intergrated National Electrical Program	-	2 581 691
Maintenance of unspecified assets	9 923 389	8 788 422
Medical Services	372 735	541 915
Safeguard and Security	9 519 701	4 467 064
Sewerage Services	3 613 438	1 997 273
Stage and Sound Crew	1 537 623	427 255
	59 549 922	45 477 127
33. Transfers and Subsidies		
Other subsidies		
Councillors donations	822 847	1 085 875

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
34. Operational Costs		
Advertising and publicity	4 621 045	2 161 044
Auditors remuneration	2 108 499	1 726 690
Bank charges	168 459	106 012
Community development and training	1 053 755	490 659
Computer expenses	2 148 346	2 265 065
Conferences and seminars	872 391	330 304
Consulting and professional fees	1 280 679	1 067 126
Consumables	1 854 370	3 083 350
Electricity	2 471 349	1 358 188
Entertainment	69 731	19 271
Fuel and oil	6 621 337	3 544 221
Gifts	3 949 557	825 048
Hire Charges	6 459 161	1 780 024
Hostel charges	725 849	321 854
Indigent	1 277 297	1 141 175
Insurance	1 075 666	650 306
Levies	102 567	165 000
Municipal disaster relief	29 000	195 589
Postage and courier	3 685	10 137
Printing and stationery	769 714	534 942
Protective clothing	-	1 830
Repairs and maintenance	397 663	21 679
Sitting allowance	21 000	9 767
Telephone and fax	1 274 838	2 950 826
Training	301 744	284 793
Travel - local	5 348 493	1 259 959
Uniforms	658 285	1 164 467
Ward committees remuneration	1 492 400	2 058 620
Workmen's Compensation	424 800	430 942
	47 581 680	29 958 888
35. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Income from controlled entities		
Interest	2 194 852	1 617 898
Operating lease charges		
Equipment		
• Contractual amounts	964 872	642 523
Loss on sale of property, plant and equipment	(87 122)	(42 818)
Impairment on property, plant and equipment	10 310 927	-
Amortisation on intangible assets	216 702	235 558
Depreciation on property, plant and equipment	22 572 018	19 433 479
Employee costs	86 255 033	82 797 041
36. Auditors' remuneration		
Fees	2 108 499	1 726 690

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
37. Cash generated from operations		
Surplus	6 959 809	72 925 220
Adjustments for:		
Depreciation and amortisation	22 788 720	19 669 037
Loss on disposal of property, plant and equipment	87 122	42 818
Impairment deficit	10 310 927	-
Debt impairment	1 141 734	977 978
Movements in retirement benefit assets and liabilities	111 000	307 000
Donation received	(1 010 143)	-
Changes in working capital:		
Receivables from non-exchange transactions	(1 394 927)	1 641 600
Receivables from Exchange transactions	(998 068)	-
Payables from exchange transactions	4 169 204	(5 112 133)
VAT	1 937 930	(3 063 107)
Unspent conditional grants and receipts	(4 582 374)	-
Retentions	1 365 851	-
	40 886 785	87 388 413

38. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	1 630 143	1 630 143
Trade and other receivables from non-exchange transactions	10 844 255	10 844 255
Cash and cash equivalents	21 760 836	21 760 836
	34 235 234	34 235 234

Financial liabilities

	At amortised cost	Total
Other financial liabilities	4 491 174	4 491 174
Trade and other payables from exchange transactions	15 413 584	15 413 584
Retentions	4 707 252	4 707 252
Employee benefit obligations	2 002 000	2 002 000
	26 614 010	26 614 010

2021

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	1 196 873	1 196 873
Trade and other receivables from non-exchange transactions	-	10 026 959	10 026 959
Cash and cash equivalents	35 251 293	-	35 251 293
	35 251 293	11 223 832	46 475 125

Financial liabilities

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
38. Financial instruments disclosure (continued)		
	At amortised cost	Total
Other financial liabilities	5 229 217	5 229 217
Trade and other payables from exchange transactions	11 245 046	11 245 046
Retentions	3 341 401	3 341 401
Employee benefit obligations	1 891 000	1 891 000
	21 706 664	21 706 664
Reclassification		
39. Commitments		
Authorised capital expenditure		
Already Contracted for but not provided for:		
• Community assets	9 022 995	19 309 030
• Road and ICT Infrastructure	21 344 515	23 737 912
	30 367 510	43 046 942
Total capital commitments		
Already contracted for but not provided for:	30 367 510	43 046 942
Total commitments		
Total commitments		
Authorised capital expenditure	30 367 510	43 046 942
40. Contingencies		
The municipality has no pending contingent liabilities		

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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41. Related parties

Relationships

Mr S.V. Mthethwa- Superintendent
Mr D.S. Mthembu - Chief Traffic Officer
Ms A.S Shandu - Senior Manager Corporate
Mr V.G. Mdletshe - Financial Manager
King Cetshwayo District Municipality- District municipality
Refer to 24
Refer to note 25

Management remuneration
Council remuneration

Related party balances

Amounts included in Property Rates regarding Related Party

Mr S.V. Mthethwa	595	6 843
Mr V.G. Mdletshe	(328)	743
Ms A.S Shandu	189	1 972

Amounts stipulated as property rates are the amounts that the municipality employees are owing/ (being owed to employees) as at 30 June 2022.

Amounts included in interest income regarding Related Party

Mr V.G. Mdletshe	-	4
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The amount stipulated as Interest income is the amount that has been charged on municipal debt to the employed

Amounts included in Rental of Premises regarding Related Party

Mr D.S. Mthembu	-	-
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The amount stipulated as rental on premises is the rent that the employee is owing for the current financial year.

No councillors nor key management own properties whose rates are levied on in the municipality's jurisdiction for the year besides those mentioned above.

No councillors nor key management owed the municipality in respect of traffic fines as at 30 June 2022.

Amounts incurred in waste removal and water usage with related party

King Cetshwayo district municipality	44 172	78 751
--------------------------------------	--------	--------

King Cetshwayo district municipality is a district municipality that provides services of water and waste removal to the municipality and the amounts stipulated as waste removal and water usage is the amount owing as at 30 June 2022.

Management information

Class	Number
Hon. Mayor	1
Non-executive board members	3
Hon Speaker	1
Mayor	1
Councillors	28
MPAC	1
Chief Whip	1
Accounting Officer	1

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021

42. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2021

Note	As previously reported	Correction of error	Re-classification	Restated
Property Plant and Equipment	361 729 897	4 694 522	51 853	366 476 272 [1]
Other financial liabilities	5 364 206	(134 989)	-	5 229 217 [2]
Intangible Assets	2 033 473	(1 342 496)	(51 853)	639 124 [3]
Payables from Exchange transactions	9 349 570	1 899 476	-	11 249 046 [4]
Accumulated surplus	391 064 805	3 182 424	-	394 247 229 [9]
Receivables from Exchange transactions	1 150 681	46 192	-	1 196 873 [9]
Receivables from Non Exchange transactions	12 101 650	(2 074 691)	-	10 026 959 [9]
VAT Receivable	8 515 480	(539 438)	-	7 976 042 [10]
	791 309 762	5 731 000	-	797 040 762

Statement of financial performance

2021

	As previously reported	Correction of error	Re-classification	Restated
Employee related costs	71 056 577	262 243	250 999	71 569 819 [5]
Contracted services	44 403 702	1 073 425	-	45 477 127 [6]
Finance cost	866 264	(35 720)	-	830 544 [7]
Depreciation and amortisation	20 754 005	(1 075 540)	-	19 678 465 [1]
Operational costs	30 209 888	-	(250 999)	29 958 889 [8]
Debt impairment	6 870	971 108	-	977 978 [9]
	167 297 306	1 195 516	-	168 492 822

Nature of prior period errors

[1.1] During the review of the repairs and maintenance on the general ledger accounts, a transaction which relates to Nhlabane Ablution facility was identified as a misallocation and corrected during the current financial year.

[1.2] During the review of Capital projects, it was noted that there was a duplicate payment made for Ntongonya Access Road. This resulted in the project balance being overstated.

[1.3] During the 2021/22 financial period, it was identified by the Municipality that the PMS which has impacted on the cost and accumulated amortisation balances disclosed in the Financial Statements.

The Municipality further capitalised microsoft 365 licenses incorrectly during the previous financial periods. A prior period error was recognised as a result of this to derecognise the asset which was capitalised incorrectly as well as the amortisation.

[1.4] A conditional assessment was performed on assets which had reached the end of their useful lives during the end of the financial period, but were still in use.

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42. Prior-year adjustments (continued)

[1.5] During the verification of assets, there were some assets found on the ground which had asset register of the Municipality. These assets were brought into the register during the current financial period.

[1.6] During the verification of assets, there were some assets found on the ground which had asset register of the Municipality. These assets were brought into the register during the current financial period.

[1.7] The retentions liability which had previously been disclosed as payable for Thusong centre and Umfolozi Testing Ground has been derecognised as an obligation by the municipality due to there no longer being an obligation to pay the monies to the consultants.

[2] During the current financial year a recalculation on the Absa loan has been made on the interest of the Absa long term loan.

[3] In prior year microsoft 365 was recognised as an Intangible assets. As a result a derecognition microsoft 365 by R1 342 496 was performed.

[4.1] During the current financial year a duplicate of payment for Ntongonya access road was reversed.

[4.2] During the financial year a calculation for accrued bonus provision was performed and a prior year adjustment was made as a result.

[5] A reallocation of Current service cost was made during the current financial year which affected prior year by R251 000 and a further bonus provision was accounted for of R262 242.

[6.1] During the financial year a review was made into the repairs and maintenance account and a duplicate payment was identified and corrected as a prior year adjustment.

[6.2] During the financial year a review, the municipality identified the PMS System of an expense in nature and prior period adjustment was made as a result.

[6.3] In the 2021/2022 Financial year an invoice of Thokomela engineering and Zululand fire and protection association was captured which was for a period of 2020/2021 and as a result a prior adjustment was made.

[7] Finance cost has been adjusted by R35 720 as a result of prior period error on the Absa long term loan calculation.

[8] In the current financial year a review on consumable account indicated a misclassification of Operational costs has increased by R250 999 which was as a result of a figure in consumables being reallocated to current service cost.

[9] Recievables from exchange transaction and non exchange consists of impairment recalculation using the new methodology.

[10] During the year under review there were retentions of Thusong testing centre and umfolozi testing ground that were reversed and the VAT portion of the retentions was also reversed.

43. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department (municipality treasury) under policies approved by the Accounting Officer. The Accounting Officer provides written principles for overall risk management.

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43. Risk management (continued)

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Other Financial Liabilities	4 491 174	5 229 217
Trade Payables from Exchange Transactions	15 413 584	11 245 046
	19 904 758	16 474 263

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Cash and cash equivalents	21 760 836	32 251 293
Trade and other receivables	12 474 398	11 223 832
	34 235 234	43 475 125

44. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

South Africa is on Coronavirus COVID-19 Alert level 1 and the municipality will continue as a going concern as it is part of the institutions that supply essential services to the communities it serves. The municipality has also received their Grants and will continue to receive grants in the foreseeable future.

45. Events after the reporting date

Receivables from Non-Exchange transactions of R11 657 825 which were for traffic fines were written off by the executive committee which has sat on the 31st of August 2022. The figure of R559 634 for Other receivables has also been put to council on the 31st of August 2022 for write off.

46. Unauthorised expenditure

Opening balance as previously reported	124 976 689	115 288 800
Opening balance as previously reported	124 976 689	115 288 800
Add: Unauthorised Expenditure - current year	23 566 843	9 687 889
Closing balance	148 543 532	124 976 689

47. Fruitless and wasteful expenditure

Opening balance as previously reported	1 357 419	1 342 129
Opening balance as previously reported	1 357 419	1 342 129
Add: Repairs to vehicles	576 635	-
Add: interests	2 207	15 290
Closing balance	1 936 261	1 357 419

Interest was incurred on overdue accounts and repairs and payments made to damages of hired vehicles.

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48. Irregular expenditure

Opening balance as previously reported	122 896 256	144 890 789
Opening balance as previously reported	122 896 256	144 890 789
Add: Irregular Expenditure - current	53 670 457	45 001 629
Less: Amounts recoverable - current	-	(66 996 162)
Less: Amount written off - current	(45 001 629)	-
Closing balance	131 565 084	122 896 256

The amount is a result of contracts which were renewed but could not meet the requirements of Section 116. Such contracts had a term or a period attached to them and could not be cancelled because there is no clause on contracts which allows for termination based on poor performance or poor services delivered. Such amounts has been submitted to council for write-off on the 9th of December 2021.

After council committee meeting, council adopted the council committee recommendation to write-off an amount of R45 001 629 from the total irregular expenditure amount as it was proven without reasonable doubt that the amount was not recoverable.

49. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government (SALGA)

Current year subscription / fee	854 205	948 605
Amount paid - current year	(854 205)	(948 605)
	-	-

Audit fees

Current year subscription / fee	2 425 199	2 219 331
Amount paid - current year	(2 425 199)	(2 219 331)
	-	-

PAYE and UIF

Current year subscription / fee	14 264 160	11 046 008
Amount paid - current year	(14 264 160)	(11 046 008)
	-	-

VAT

VAT receivable	6 576 856	8 515 485
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VAT output payables and VAT input receivables are shown in note .

VAT

VAT receivable	72 446 992	61 657 425
VAT payable	66 408 880	53 681 383
	138 855 872	115 338 808

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

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49. Actual capital expenditure versus budgeted capital expenditure (continued)

Supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Current year Deviations for under Regulation 36

Emergency procurement	2 463 819	1 958 764
Sole supplier/single services	274 442	95 197
	2 738 261	2 053 961

50. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas:

- Community and social services
- Energy Sources and Environmental Protection
- Executive and Council
- Finance and Administration
- Planning and Development
- Public Safety
- Road Transport
- Sports and Recreation
- Waste Management

The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes..

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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50. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2022

	Community and social services	Energy Sources and Environmental Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
Revenue										
Service Charges	-	-	-	-	-	-	-	-	666 705	666 705
Rental of facilities and equipment	-	-	-	777 059	-	-	-	-	-	777 059
Licences and permits	-	-	-	4 847	-	323 591	-	-	-	328 438
Operational Revenue	-	-	-	314 141	-	-	-	-	-	314 141
Interest revenue	-	-	-	3 358 728	-	-	-	-	-	3 358 728
Property Rates	-	-	-	25 634 672	-	-	-	-	-	25 634 672
Government grants and subsidies	3 037 000	-	-	149 546 000	-	-	42 526 000	7 485 653	1 557 722	204 152 375
Fines, Penalties and Forfeits	726	-	-	534 550	-	-	-	-	-	535 276
Donation income	-	-	-	1 010 143	-	-	-	-	-	1 010 143
Expected return on employee benefits	-	-	-	270 060	-	-	-	-	-	270 060
Total segment revenue	3 037 726	-	-	181 450 200	-	323 591	42 526 000	7 485 653	2 224 427	237 047 597
Entity's revenue										237 047 597

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	Community and social services	Energy Sources and Environmental Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
50. Segment information (continued)										
Expenditure										
Employee related costs	11 873 197	-	6 832 500	25 139 506	6 744 398	11 873 697	7 658 757	11 825	3 923 772	74 057 652
Remuneration of councillors	-	-	12 197 381	-	-	-	-	-	-	12 197 381
Depreciation and amortisation	5 569 055	-	-	3 297 363	-	130 884	13 791 418	-	-	22 788 720
Finance costs	-	-	-	616 871	-	-	-	-	-	616 871
Lease rental on operating lease	-	-	37 708	927 164	-	-	-	-	-	964 872
Debt impairment	-	-	-	1 141 734	-	-	-	-	-	1 141 734
Contracted services	4 093 976	541 862	13 140 999	30 702 225	1 016 106	246 651	5 597 830	-	4 210 273	59 549 922
Transfers and subsidies	290 008	-	532 839	-	-	-	-	-	-	822 847
Operational costs	1 287 752	865 274	12 505 902	27 469 415	3 104 738	895 326	297 748	117	1 155 407	47 581 679
Loss on disposal of assets and liabilities	-	-	-	87 122	-	-	-	-	-	87 122
Actuarial gains/losses	-	-	-	(31 940)	-	-	-	-	-	(31 940)
Impairment loss	-	-	-	-	-	-	10 310 927	-	-	10 310 927
Total segment expenditure	23 113 988	1 407 136	45 247 329	89 349 460	10 865 242	13 146 558	37 656 680	11 942	9 289 452	230 087 787
Total segmental surplus/(deficit)										6 959 810

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	Community and social services	Energy Sources and Environmental Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
50. Segment information (continued)										
Assets										
Receivables from Exchange Transactions	-	-	-	1 119 414	-	-	-	-	510 729	1 630 143
Receivables from Non-Exchange Transactions	-	-	-	10 844 255	-	-	-	-	-	10 844 255
VAT Receivable	-	-	-	6 038 112	-	-	-	-	-	6 038 112
Cash and cash equivalents	-	-	-	21 760 836	-	-	-	-	-	21 760 836
Property, plant and equipment	105 091 076	97 811	-	88 414 036	93 015	4 120 384	124 034 590	62 476 180	3 834 693	388 161 785
Intangible assets	-	-	-	416 213	-	-	-	-	-	416 213
Total segment assets	105 091 076	97 811	-	128 592 866	93 015	4 120 384	124 034 590	62 476 180	4 345 422	428 851 344
Total assets as per Statement of financial Position										428 851 344
Liabilities										
Other financial liabilities	-	-	-	4 491 174	-	-	-	-	-	4 491 174
Payables from exchange transactions	-	-	-	15 413 584	-	-	-	-	-	15 413 584
Unspent conditional grants	-	-	-	1 030 296	-	-	-	-	-	1 030 296
Retentions	-	-	-	4 707 252	-	-	-	-	-	4 707 252
Employee benefit obligations	-	-	-	2 002 000	-	-	-	-	-	2 002 000
Total segment liabilities	-	-	-	27 644 306	-	-	-	-	-	27 644 306
Total liabilities as per Statement of financial Position										27 644 306

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50. Segment information (continued)

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

2021

	Community and social services	Energy Sources and Environmental Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road transport	Sports and Recreation	Waste Management	Total
Revenue from exchange transactions										
Service charges	-	-	-	-	-	-	-	-	597 603	597 603
Rental of facilities and equipment	-	-	-	905 390	-	-	-	-	-	905 390
Licenses and permits	-	-	-	5 051	-	-	14 469	-	-	19 520
Operational revenue	-	-	-	456 140	-	-	-	-	-	456 140
Investment revenue	-	-	-	2 772 480	-	-	-	-	-	2 772 480
Expected returns on employee benefits	-	-	-	314 000	-	-	-	-	-	314 000
Property rates	-	-	-	23 839 776	-	-	-	-	-	23 839 776
Government grants and subsidies	2 898 000	-	-	168 448 000	-	-	-	-	54 311 962	225 657 962
Fines penalties and forfeits	-	-	-	2 000	-	73 200	-	-	-	75 200
Total segment revenue	2 898 000	-	-	196 742 817	-	73 200	14 469	-	54 909 565	254 638 051
	Community and social services		Finance and administration	Public safety	Water Management	Finance and administration	Water Management	Water Management		-
Entity's revenue										254 638 051

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50. Segment information (continued)

Expenditure										
Employee related costs	11 952 052	-	6 401 727	35 236 149	5 090 431	7 981 418	-	501 885	4 406 157	71 569 819
Remuneration of councillors	-	-	11 227 222	-	-	-	-	-	-	11 227 222
Depreciation and amortisation	5 494 357	-	-	3 730 537	-	-	10 394 678	-	49 465	19 669 037
Finance costs	-	-	-	830 544	-	-	-	-	-	830 544
Lease rental on operating lease	-	-	57 525	584 998	-	-	-	-	-	642 523
Debt impairment	-	-	-	977 978	-	-	-	-	-	977 978
Contracted services	5 921 869	396 157	12 284 222	20 948 739	2 725 294	537 927	-	-	2 662 919	45 477 127
Transfers and subsidies	-	-	376 076	-	-	709 799	-	-	-	1 085 875
Operation costs	1 508 340	1 552 191	8 001 820	17 557 114	684 317	385 749	-	4 133	265 224	29 958 888
Loss on disposal	-	-	-	42 817	-	-	-	-	-	42 817
Actuarial gains/losses	-	-	-	231 000	-	-	-	-	-	231 000
Total segment expenditure	24 876 618	1 948 348	38 348 592	80 139 876	8 500 042	9 614 893	10 394 678	506 018	7 383 765	181 712 830
Total segmental surplus/(deficit)										72 925 221
Assets										
Receivables from Exchange transactions	-	-	-	689 029	-	-	-	-	507 844	1 196 873
Receivables from non-exchange transactions	-	-	-	10 026 959	-	-	-	-	-	10 026 959
VAT receivables	-	-	-	7 976 042	-	-	-	-	-	7 976 042
Cash and cash equivalents	-	-	-	35 251 293	-	-	-	-	-	35 251 293
Property, plant and equipment	80 095 134	97 810	-	91 378 295	209 667	1 586 850	129 186 086	58 096 184	5 826 246	366 476 272
Intangible assets	-	-	-	639 124	-	-	-	-	-	639 124
Total segment assets	80 095 134	97 810	-	145 960 742	209 667	1 586 850	129 186 086	58 096 184	6 334 090	421 566 563
Total assets as per Statement of financial Position										421 566 563

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	Community and social services	Energy Sources and Environmental Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road transport	Sports and Recreation	Waste Management	Total
50. Segment information (continued)										
Liabilities										
Payables from exchange transactions	-	-	-	11 245 046	-	-	-	-	-	11 245 046
Unspent conditional grants and subsidies	-	-	-	372 498	1 420 764	-	3 819 407	-	-	5 612 669
Retention	-	-	-	3 341 401	-	-	-	-	-	3 341 401
Other financial liabilities	-	-	-	5 229 217	-	-	-	-	-	5 229 217
Employee benefit obligations	-	-	-	1 891 000	-	-	-	-	-	1 891 000
Total segment liabilities	-	-	-	22 079 162	1 420 764	-	3 819 407	-	-	27 319 333
Total liabilities as per Statement of financial Position										27 319 333

Description of segments and principal activities

Community and social services

Provision of an acceptable standard of social services, environmental and health services, Emergency services, Community safety and road traffic management.

Energy Sources and Environmental Protection

This segment consists of all services for energy supply to the communities by providing a link between Eskom and electricity consumers through electrification programmes entered into between the municipality and Eskom. Facilitating campaigns for environmental protection in the community.

Executive and council

This segment consists of services such as executive services, support services to the executive and finance and administration services.

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50. Segment information (continued)

Finance and administration

Provision of financial and administrative services to other segments of the municipality.

Planning and development

Provision of planning and development including policies and procedures. Coordinating work relating to the preparation of the Annual Developmental Programme and its review.

Public safety

This segment consists of various departments with aligned objectives. It is responsible to the public for Traffic Enforcement, and Crime prevention.

Road Transport

Construction and maintenance of roads and infrastructures owned by the municipality

Sports and recreation

Provision of advancement of participation in sports and recreation, fast-tracking the revival of sport, talent identification and optimization of talent empowerment programme.

Waste Management

Collection and disposal of waste in a safe manner as required by legislation. Ensure the general cleanliness in the communities' streets, public spaces and rivers.

Measurement of segment surplus or deficit, assets and liabilities

Centrally incurred assets, liabilities, revenue and expenditure

Value added tax, cash, investments, borrowings, unspent grants have not been allocated to individual segments as these are managed centrally by the finance department. Similarly, external interest related to cash, investments or borrowings are not allocated to individual segments. All these items are allocated to the Finance and Administration segment.

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51. Budget differences

Material differences between budget and actual amounts

A.1 Rental of facilities and equipment

Some of the lease agreement has not been concluded by both parties but the premises are occupied by the tenants. More funds were expected from rental of the facilities during the current year, however at the end of the financial year the actual funds collected were less than budgeted.

A.2 Property Rates

The KwaMbonambi Secondary school has not been registered on the general valuation roll of the municipality. The Value of the school is not yet established. The municipality is still waiting for verification by the municipal valuer and KZN Department of Public Works. It was anticipated during the budget that the issue would have been finalised however it is not and billing has not taken place.

A.3 Fines, Penalties and forfeits

The municipality has under budgeted for the tickets due to Covid-19 restrictions, however the restrictions were eased during the financial year which enabled the municipality to make collections.

A.4 Depreciation and amortisation

Depreciation has increased because more projects have been completed and were being depreciated as a result.

A.5 Operational costs

There were newly elected councillors that had to attend trainings and inductions and as a result the municipality incurred more travel and training fees. There was an increase in fuel prices during the financial year. The municipality had to advertise and rebrand due to council inauguration.

The Professional fees for audit has increased for the current year.

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Appropriation Statement

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	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2022											
Financial Performance											
Property rates	28 233 493	-	28 233 493	-		28 233 493	25 634 672		(2 598 821)	91 %	91 %
Service charges	723 450	-	723 450	-		723 450	666 705		(56 745)	92 %	92 %
Investment revenue	2 603 747	-	2 603 747	-		2 603 747	3 358 728		754 981	129 %	129 %
Transfers recognised - operational	155 516 300	491 517	156 007 817	-		156 007 817	154 178 328		(1 829 489)	99 %	99 %
Other own revenue	1 445 200	605 000	2 050 200	-		2 050 200	3 267 057		1 216 857	159 %	226 %
Total revenue (excluding capital transfers and contributions)	188 522 190	1 096 517	189 618 707	-		189 618 707	187 105 490		(2 513 217)	99 %	99 %
Employee costs	(76 078 911)	2 684 611	(73 394 300)	-	-	(73 394 300)	(74 057 652)	-	(663 352)	101 %	97 %
Remuneration of councillors	(11 856 362)	(1 854 509)	(13 710 871)	-	-	(13 710 871)	(12 197 381)	-	1 513 490	89 %	103 %
Debt impairment	(2 542 000)	-	(2 542 000)	-	-	(2 542 000)	(1 141 734)	-	1 400 266	45 %	45 %
Depreciation and asset impairment	(17 213 229)	-	(17 213 229)	-	-	(17 213 229)	(23 655 831)	-	(6 442 602)	137 %	137 %
Finance charges	(547 000)	-	(547 000)	-	-	(547 000)	(616 871)	-	(69 871)	113 %	113 %
Lease rental on operating lease	(700 000)	(20 000)	(720 000)	-	-	(720 000)	(964 872)	-	(244 872)	134 %	138 %
General Expenses	(36 669 722)	1 264 307	(35 405 415)	-	-	(35 405 415)	(47 057 801)	-	(11 652 386)	133 %	128 %
Contracted services	(40 493 330)	(16 565 385)	(57 058 715)	-	-	(57 058 715)	(59 549 922)	-	(2 491 207)	104 %	147 %
Transfers and grants	(1 450 000)	780 000	(670 000)	-	-	(670 000)	(822 847)	-	(152 847)	123 %	57 %
Inventory consumed	(2 364 500)	367 275	(1 997 225)	-	-	(1 997 225)	(1 854 370)	-	142 855	93 %	78 %
Total expenditure	(189 915 054)	(13 343 701)	(203 258 755)	-	-	(203 258 755)	(221 919 281)	-	(18 660 526)	109 %	117 %
Surplus/(Deficit)	(1 392 864)	(12 247 184)	(13 640 048)	-		(13 640 048)	(34 813 791)		(21 173 743)	255 %	2 499 %

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Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	26 149 700	(26 149 700)	-	-		-	49 974 047		49 974 047	DIV/0 %	191 %
Loss on disposal of municipal assets	-	-	-	-		-	(87 122)		(87 122)	DIV/0 %	DIV/0 %
Impairment loss	-	-	-	-		-	(4 300 675)		(4 300 675)	DIV/0 %	DIV/0 %
Surplus (Deficit) after capital transfers and contributions	24 756 836	(38 396 884)	(13 640 048)	-		(13 640 048)	10 772 459		24 412 507	(79)%	44 %
Surplus/(Deficit) for the year	24 756 836	(38 396 884)	(13 640 048)	-		(13 640 048)	10 772 459		24 412 507	(79)%	44 %
Capital expenditure and funds sources											
Total capital expenditure	26 149 700	(26 149 700)	-	-		-	663 348		663 348	DIV/0 %	3 %

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	18 146 490	-	18 146 490	-		18 146 490	40 886 785		22 740 295	225 %	225 %
Net cash from (used) investing	(30 838 200)	-	(30 838 200)	-		(30 838 200)	(53 639 200)		(22 801 000)	174 %	174 %
Net cash from (used) financing	(676 676)	-	(676 676)	-		(676 676)	(738 043)		(61 367)	109 %	109 %
Net increase/(decrease) in cash and cash equivalents	(13 368 386)	-	(13 368 386)	-		(13 368 386)	(13 490 458)		(122 072)	101 %	101 %
Cash and cash equivalents at the beginning of the year	23 960 224	(23 960 224)	-	-		-	35 251 294		35 251 294	DIV/0 %	147 %
Cash and cash equivalents at year end	10 591 838	(23 960 224)	(13 368 386)	-		(13 368 386)	21 760 836		(35 129 222)	(163)%	205 %

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
2021				
Financial Performance				
Property rates				23 839 776
Service charges				597 603
Investment revenue				2 772 460
Transfers recognised - operational				173 314 885
Other own revenue				1 770 250
Total revenue (excluding capital transfers and contributions)				202 294 974
Employee costs	-	-	-	(71 569 819)
Remuneration of councillors	-	-	-	(11 227 222)
Debt impairment	-	-	-	(977 978)
Depreciation and asset impairment	-	-	-	(19 669 037)
Finance charges	-	-	-	(830 544)
Transfers and grants	-	-	-	(1 085 875)
Other expenditure	-	-	-	(76 352 356)
Total expenditure	-	-	-	(181 712 831)
Surplus/(Deficit)				20 582 143
Transfers recognised - capital				52 343 077
Surplus (Deficit) after capital transfers and contributions				72 925 220
Surplus/(Deficit) for the year				72 925 220
Capital expenditure and funds sources				
Total capital expenditure				8 262 197

uMfolozi Local Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
Cash flows				
Net cash from (used) operating				89 033 617
Net cash from (used) investing				(56 554 318)
Net cash from (used) financing				(2 323 390)
Net Increase/(decrease) in cash and cash equivalents				30 155 909
Cash and cash equivalents at the beginning of the year				5 095 384
Cash and cash equivalents at year end				35 251 293

5.2. Grants

Government Grants and Subsidies	2022	2021
Operating grants		
Equitable share	147 696 000	166 548 000
Library Grant	3 037 000	2 898 000
Financial Management Grant	1 850 000	1 900 000
Expanded Public Works Program Grant	1 557 722	1 441 278
Maintenance of Sport Facilities Grant	37 606	527 607
	154 178 328	173 314 885
Capital grants		
Sports and Recreation Grant	7 448 047	8 751 077
Municipal Infrastructure Grant	42 526 000	43 592 000
	49 974 047	52 343 077
	204 152 375	225 657 962
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
The difference of 2022: 0 (2021: R 745 000) between the balance as per accounts and DORA allocation is brought about unspent grant of Municipal Distater grant which was reverted to the National Revenue Fund.		
Equitable share reconciliaiton		
Equitable share allocation	147 696 000	167 293 000
Equitable share disclosed	(147 696 000)	(166 548 000)
	-	745 000
Municipal Infrastructure Grant (MIG)		
Current-year receipts	42 526 000	43 592 000
Conditions met - transferred to revenue	(42 526 000)	(43 592 000)
	-	-
	2022	2021
Spatial Development Framework Grant		
Balance unspent at beginning of year	260 964	260 964

Library Grant

Current-year receipts	3 037 000	2 898 000
Conditions met - transferred to revenue	(3 037 000)	(2 898 000)
	-	-

Financial Management Grant

Current-year receipts	1 850 000	1 900 000
Conditions met - transferred to revenue	(1 850 000)	(1 900 000)
	-	-

Title Deeds Restoration Grant

Balance unspent at beginning of year	200 000	200 000
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Development Planning and Shared Services Grant

Balance unspent at beginning of year	172 498	172 498
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Small Town Rehabilitation Grant

Balance unspent at beginning of year	336 034	336 034
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Sport and Recreation Grant

Balance unspent at beginning of year	4 198 046	4 162 124
Current-year receipts	3 250 000	8 787 000
Conditions met - transferred to revenue	(7 448 046)	(8 751 078)
	-	4 198 046

Schemes Support Program Grant

Balance unspent at beginning of year	60 800	60 800
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Maintenance of Sport Facilities Grant

Balance unspent at beginning of year	37 605	565 212
Conditions met - transferred to revenue	(37 605)	(527 607)
	-	37 605

Expanded Public Works Programme Grant

Balance unspent at beginning of year	346 722	-
Current-year repayments	(346 000)	-
Current-year receipts	1 557 000	1 788 000
Conditions met - transferred to revenue	(1 557 722)	(1 441 278)
	-	346 722

5.3. Asset Management

Assets reconciliation

Class of assets	PROPERTY PLANT AND EQUIPMENT			INTANGIBLE ASSETS			TOTAL		
	Cost	Accumulated Depreciation	Carrying Amount	Cost	Accumulated Depreciation	Carrying Amount	Cost	Accumulated Depreciation	Carrying Amount
As per AUDITED FAR	511 332 683	123 170 300	388 162 383	1 668 309	1 252 097	416 212	513 000 992	124 422 397	388 578 595
Intangible Assets				1 668 309	1 252 097	416 212	1 668 309	1 252 097	416 212
Community Assets	176 655 304	48 960 937	127 694 367				176 655 304	48 960 937	127 694 367
Computer Equipment	4 806 450	1 670 845	3 135 605				4 806 450	1 670 845	3 135 605
ICT Infrastructure	3 083 353	1 064 585	2 018 768				3 083 353	1 064 585	2 018 768
Furniture and Equipment	6 625 149	3 174 633	3 450 516				6 625 149	3 174 633	3 450 516
Land	16 742 853	0	16 742 853				16 742 853	0	16 742 853
Machinery and Equipment	5 668 070	1 751 604	3 916 466				5 668 070	1 751 604	3 916 466
Other Assets	65 463 210	15 801 531	49 661 679				65 463 210	15 801 531	49 661 679
Road Infrastructure	153 709 767	42 875 010	110 834 757				153 709 767	42 875 010	110 834 757
Water Supply Infrastructure	28 646	11 060	17 586				28 646	11 060	17 586
Storm Water Infrastructure	3 028 547	336 950	2 691 597				3 028 547	336 950	2 691 597
Transport Assets	19 735 465	5 858 576	13 876 889				19 735 465	5 858 576	13 876 889
Work - in - Progress	55 785 869	1 664 569	54 121 300				55 785 869	1 664 569	54 121 300
As per AFS	511 332 108	123 170 323	388 161 785	3 141 368	2 203 377	937 991	513 000 417	124 422 419	388 577 998
Intangible Assets				1 668 309	1 252 096	416 213	1 668 309	1 252 096	416 213
Community Assets	176 655 284	48 960 927	127 694 357				176 655 284	48 960 927	127 694 357
Computer Equipment	4 806 451	1 670 819	3 135 632				4 806 451	1 670 819	3 135 632
ICT Infrastructure	3 083 353	1 064 586	2 018 767				3 083 353	1 064 586	2 018 767
Furniture and Equipment	6 625 248	3 174 782	3 450 466				6 625 248	3 174 782	3 450 466
Land	16 742 853		16 742 853				16 742 853	0	16 742 853
Machinery and Equipment	5 667 385	1 750 375	3 917 010				5 667 385	1 750 375	3 917 010
Other Assets	65 463 209	15 801 532	49 661 677				65 463 209	15 801 532	49 661 677
Road Infrastructure	153 709 744	42 875 749	110 833 995				153 709 744	42 875 749	110 833 995
Water Supply Infrastructure	28 646	11 060	17 586				28 646	11 060	17 586
Storm Water Infrastructure	3 028 547	336 950	2 691 597				3 028 547	336 950	2 691 597
Transport Assets	19 735 465	5 858 974	13 876 491				19 735 465	5 858 974	13 876 491
Work - in - Progress	55 785 923	1 664 569	54 121 354				55 785 923	1 664 569	54 121 354
Differences	-575	23	-598	0	-1	1	-575	22	-597
Computer Software	0	0	0	0	-1	1	0	-1	1
Community Assets	-20	-10	-10	0	0	0	-20	-10	-10
Computer Equipment	1	-26	27	0	0	0	1	-26	27
ICT Infrastructure	0	1	-1	0	0	0	0	1	-1
Furniture and Equipment	99	149	-50	0	0	0	99	149	-50
Other Assets	-1	1	-2				-1	1	-2
Land	0	0	0	0	0	0	0	0	0
Machinery and Equipment	-685	-1 229	544	0	0	0	-685	-1 229	544
Road Infrastructure	-23	739	-762	0	0	0	-23	739	-762
Water Supply Infrastructure	0	0	0	0	0	0	0	0	0
Storm Water Infrastructure	0	0	0	0	0	0	0	0	0
Transport Assets	0	398	-398	0	0	0	0	398	-398
Work in Progress	54	0	54				54	0	54

5.4. Financial Ratios Based on Key Performance Indicators

Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better. Data used from MBRR SA8

Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated Data used from MBRR SA8

Total Outstanding Service Debtors –Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8

Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality Data used from MBRR SA8

Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases Data used from MBRR SA8

Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. Data used from MBRR SA8

Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue. Data used from MBRR SA8

Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. Data used from MBRR SA8

1. FINANCIAL POSITION			
A. Asset Management/Utilisation			
1	Capital Expenditure to Total Expenditure	10% - 20%	20 %
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	3 %
1	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	3 %
A. Debtors Management			
1	Collection Rate	95%	97 %
1	Bad Debts Written-off as % of Provision for Bad Debt	100%	0 %
1	Net Debtors Days	16 Days	227 Days
A. Liability Management			

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	0 %
1	Debt (Total Borrowings) / Revenue	45%	-4 %
A. Liquidity Management			
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	1,1 Months
1	Current Ratio	1.5 - 2.1	1,8
2. FINANCIAL PERFORMANCE			
A. Distribution Losses			
1	Electricity Distribution Losses (Percentage)	7% - 10%	N/A
1	Water Distribution Losses (Percentage)	15% - 30%	N/A
A. Efficiency			
1	Net Operating Surplus Margin	= or > 0%	-18 %
1	Net Surplus /Deficit Electricity	0% -15%	N/A
1	Net Surplus /Deficit Water	= or > 0%	N/A
1	Net Surplus /Deficit Refuse	= or > 0%	100 %
1	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	N/A
A. Expenditure Management			
1	Creditors Payment Period (Trade Creditors)	30 Days	23 Days
1	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	35 %
1	Remuneration as % of Total Operating Expenditure	25% - 40%	39 %
1	Contracted Services % of Total Operating Expenditure	2% - 5%	27 %
A. Grant Dependency			
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	10 %
1	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	10 %
1	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	None	44 %

A. Revenue Management			
1	Growth in Number of Active Consumer Accounts	None	0 %
1	Revenue Growth (%)	= CPI	-7 %
1	Revenue Growth (%) - Excluding capital grants	= CPI	-8 %
3. BUDGET IMPLEMENTATION			
A. Budget Implementation Category			
1	Capital Expenditure Budget Implementation Indicator	95% - 100%	99 %
1	Operating Expenditure Budget Implementation Indicator	95% - 100%	108 %
1	Operating Revenue Budget Implementation Indicator	95% - 100%	98 %
1	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	91 %

Component B: Spending Against Capital Budget

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Introduction to spending against capital budget

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Capital Projects are finance by MIG. 100% of Capital Budget spent and MIG Toped up with R15 million during the financial year.

5.5. Capital Expenditure

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	26 149 700	(26 149 700)	-	-	-	-	49 974 047	-	49 974 047	DIV/0 %	191 %
Loss on disposal of municipal assets	-	-	-	-	-	-	(87 122)	-	(87 122)	DIV/0 %	DIV/0 %
Impairment loss	-	-	-	-	-	-	(4 300 675)	-	(4 300 675)	DIV/0 %	DIV/0 %
Surplus (Deficit) after capital transfers and contributions	24 756 836	(38 396 884)	(13 640 048)	-	-	(13 640 048)	10 772 459	-	24 412 507	(79)%	44 %
Surplus/(Deficit) for the year	24 756 836	(38 396 884)	(13 640 048)	-	-	(13 640 048)	10 772 459	-	24 412 507	(79)%	44 %

Capital expenditure and funds sources

Total capital expenditure	26 149 700	(26 149 700)	-	-	-	663 348	-	663 348	DIV/0 %	3 %
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5.6. Sources of Finance

Government Grants and Subsidies

2022

2021

Operating grants

Equitable share	147 696 000	166 548 000
Library Grant	3 037 000	2 898 000
Financial Management Grant	1 850 000	1 900 000
Expanded Public Works Program Grant	1 557 722	1 441 278
Maintenance of Sport Facilities Grant	37 606	527 607
	154 178 328	173 314 885

Capital grants

Sports and Recreation Grant	7 448 047	8 751 077
Municipal Infrastructure Grant	42 526 000	43 592 000
	49 974 047	52 343 077
	204 152 375	225 657 962

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

The difference of 2022: 0 (2021: R 745 000) between the balance as per accounts and DORA allocation is brought about unspent grant of Municipal Distater grant which was reverted to the National Revenue Fund.

Equitable share reconciliaiton

Equitable share allocation	147 696 000	167 293 000
Equitable share disclosed	(147 696 000)	(166 548 000)
	-	745 000

Municipal Infrastructure Grant (MIG)

Current-year receipts	42 526 000	43 592 000
Conditions met - transferred to revenue	(42 526 000)	(43 592 000)
	-	-

Spatial Development Framework Grant

Balance unspent at beginning of year	260 964	260 964
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Library Grant

Current-year receipts	3 037 000	2 898 000
Conditions met - transferred to revenue	(3 037 000)	(2 898 000)
	-	-

Financial Management Grant

Current-year receipts	1 850 000	1 900 000
Conditions met - transferred to revenue	(1 850 000)	(1 900 000)
	-	-

Title Deeds Restoration Grant

Balance unspent at beginning of year	200 000	200 000
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Development Planning and Shared Services Grant

Balance unspent at beginning of year	172 498	172 498
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Small Town Rehabilitation Grant

Balance unspent at beginning of year	336 034	336 034
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Sport and Recreation Grant

Balance unspent at beginning of year	4 198 046	4 162 124
Current-year receipts	3 250 000	8 787 000
Conditions met - transferred to revenue	(7 448 046)	(8 751 078)
	-	4 198 046

Schemes Support Program Grant

Balance unspent at beginning of year	60 800	60 800
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Maintenance of Sport Facilities Grant

Balance unspent at beginning of year	37 605	565 212
Conditions met - transferred to revenue	(37 605)	(527 607)
	-	37 605

Expanded Public Works Programme Grant

Balance unspent at beginning of year	346 722	-
Current-year repayments	(346 000)	-
Current-year receipts	1 557 000	1 788 000
Conditions met - transferred to revenue	(1 557 722)	(1 441 278)
	-	346 722

Integrated National Electrification Grant

Current-year receipts	-	9 000 000
Conditions met - transferred to revenue	-	(9 000 000)
	-	-

COMMENT ON SOURCES OF FUNDING:

Sources of funding from the Department of Corporate Governance and Traditional Affairs, a gazetted amount of R 27 526 000.00 for the year 2021/2022.

5.7. Capital Spending on 5 Largest Projects**Capital Expenditure of 5 Largest Projects**

Name of Project	Current: 2021/2022			Variance: 2020/2021	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A -	R 46 000 000.00	N/A	R43 m	0	0
B -	R6 500 000.00	N/A	R4.4m	0	0
C -	R6 500 000.00	N/A	R6.5m	0	0
D -	R4 500 000.00	N/A	R3.08m	0	0
E -	R 4 600 000.00	N/A	R 4.6m		

***Projects with the highest capital expenditure**

Name of Project - A	Dondotha Sports Field Complex
Objective of Project	Sports and Recreation Infrastructure
Delays	Covid 19
Future Challenges	None
Anticipated citizen benefits	Ward 09
Name of Project - B	Mankwathini MPCC
Objective of Project	Multi-Purpose Community Infrastructure
Delays	Covid 19
Future Challenges	None
Anticipated citizen benefits	Ward 03
Name of Project - C	Ward 14 MPCC
Objective of Project	Multi-Purpose Centre Infrastructure
Delays	Covid 19
Future Challenges	None
Anticipated citizen benefits	Ward 14
Name of Project - D	Ntongonya Access Road
Objective of Project	Access Road Infrastructure
Delays	None
Future Challenges	None
Anticipated citizen benefits	Ward 01
Name of Project - E	Nhlanzini Access Road
Objective of Project	Roads Infrastructure

Delays	None
Future Challenges	None
Anticipated benefits	citizen Ward 05

COMMENT ON CAPITAL PROJECTS:

The projects above were completed successfully, the workmanship and quality of works were up to the required standard. The lesson learnt is that we should always avoid appointment of contractor above the NO value as it has severe impact on or expenditure reporting system.

5.8. Basic Service and Infrastructure Backlogs

The MIG grant has been utilised effectively to address the road infrastructure backlog that the community of uMfolozi Municipality is facing.

Component C: Cash Flow Management and Investments

5.9. Cash Flow

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		25 328 020	24 252 029
Grants		199 569 999	225 657 962
Interest income		3 358 728	2 772 460
Fines		535 267	75 200
		<u>228 792 023</u>	<u>252 757 651</u>
Payments			
Employee costs		(86 255 032)	(81 443 330)
Suppliers		(101 033 335)	(81 684 698)
Finance costs		(616 871)	(596 006)
		<u>(187 905 238)</u>	<u>(163 724 034)</u>
Net cash flows from operating activities	37	40 886 785	89 033 617
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(54 809 943)	(56 423 929)
Proceeds from sale of property, plant and equipment	7	1 170 743	644 145
Purchase of other intangible assets	8	-	(774 534)
Net cash flows from investing activities		(53 639 200)	(56 554 318)
Cash flows from financing activities			
Repayment of other financial liabilities		(738 043)	(758 402)
Finance lease payments		-	(1 564 988)
Net cash flows from financing activities		(738 043)	(2 323 390)
Net increase/(decrease) in cash and cash equivalents		(13 490 458)	30 155 909
Cash and cash equivalents at the beginning of the year		35 251 294	5 095 384
Cash and cash equivalents at the end of the year	6	21 760 836	35 251 293

5.10. Borrowing and Investments

FIXED DEPOSIT REGISTER (LIQUIDITY PLUS)									
INSTITUTION: ABSA BANK									
DATE	DETAILS	REF	OPENING BALANCE	AMOUNT INVESTED	TERM OF DEPOSIT	BANK CHARGES	INTEREST EARNED	AMOUNT WITHDRAWN	BALANCE
2022/06/01	OPENING BALANCE		1 019 621.84						1 019 621.84
2022/06/30	CREDIT INTEREST						55 943.85		1 075 565.69
2022/06/30	CLOSING DATE AS AT 30 JUNE 2022					-	55 943.85		1 075 565.69
FIXED DEPOSIT REGISTER (LIQUIDITY PLUS)									
INSTITUTION: NEDBANK									
DATE	DETAILS	REF	OPENING BALANCE	AMOUNT INVESTED	TERM OF DEPOSIT	BANK CHARGES	PROJECTED INTEREST	AMOUNT WITHDRAWN	BALANCE
2022/06/01	OPENING BALANCE		30 616 808.40						30 616 808.40
2022/06/21	TRANSFER TO MAIN ACCOUNT							10 000 000.00	20 616 808.40
2022/06/30	CREDIT INTEREST						105 396.50		20 722 204.90
2022/06/30	CLOSING DATE AS AT 30 JUNE 2022					-	105 396.50		20 722 204.90
INVESTED							161 340.35		21 797 770.59

Component D: Other Financial Matters

5.11. Supply Chain Management

5.12. GRAP Compliance

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

GRAP Compliant Assets Register was prepared and submitted to AG to support the AFS.

GRAP Compliant Annual Financial Statements were prepared and submitted to Auditor General by 31 August 2021. The final Audited Annual Financial Statement are an Annexure A to this report. The Audit Report is also attached and Management Action Plan to address AG findings.

CHAPTER 6 - AUDITOR GENERAL AUDIT FINDINGS

Auditor General Audit Findings

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

- Refer to the Annual Financial Statements set out in Annexure 1 and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

Component A: Auditor General Opinion 2020/2021

6.1. Auditor General Reports 2020/2021

Auditor General Report on Financial Performance	
Audit Report Status:	Unqualified with matters

Auditor General Report on Service Delivery Performance	
Audit Report Status:	Unqualified with matters

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on uMfolozi Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the uMfolozi Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the uMfolozi Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No.4 of 2020) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material impairments – Statutory receivables

7. As disclosed in note 4 to the financial statements, receivables from non-exchange transactions were impaired by a total of R11,55 million (2019-2020: R11,36 million) as a result of the annual review of the recoverability of the fines, which were considered doubtful.
8. As disclosed in note 4 to the financial statements, receivables from non-exchange debtors were impaired by a total of R5,22 million (2019-2020: R5,34 million) as a result of the annual review of the recoverability of the debt.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the uMfolozi Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned

performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery key performance area on pages XX to XX presented in the annual performance report of the municipality for the year ended 30 June 2021.
18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the basic service delivery key performance area.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. The annual performance report on pages xx to xx includes information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of receivables from exchange and non-exchange transactions, retentions, payables from exchange transactions, property; plant and equipment and commitments identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Asset management

25. An effective system of internal control for assets including an asset register was not in place, as required by section 63(2)(c) of the MFMA.

Expenditure management

26. Reasonable steps were not taken to prevent irregular expenditure incurred in the current year of R45,00 million as disclosed in note 42 to the financial statements, as required by section 62(1)(d) of the MFMA. The majority of expenditure was incurred because of payments that were made on contracts.

Procurement and contract management

27. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM Regulation 17(1)(a) and (c).
28. A construction contract was awarded to a contractor that was not registered with the CIDB but did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulation 17.
29. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content, as required by Preferential Procurement Regulation 8(5) of 2017.

Consequence management

30. Irregular expenditure, as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

31. The accounting officer of the municipality is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and the selected key performance area presented in the annual performance report that have been specifically reported on in the auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express

any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

36. The accounting officer did not exercise adequate monitoring and checks over internal controls; in that, key supporting reconciliations relating to financial statement items were not diligently prepared by the finance team.
37. Senior management did not perform detailed reviews on supporting information for asset and supply chain management to prevent material non-compliance with legislation.

Auditor General

Pietermaritzburg

2 December 2021



Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected key performance area and on the municipality's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Component B: Auditor General Opinion (2021/2022)

6.2. Auditor General Report (2021/2022)

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on uMfolozi Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the uMfolozi Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the uMfolozi Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2021 (Act No. 9 of 2021) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Material impairment – Receivables from non-exchange transactions

7. As disclosed in note 4 to the financial statements, a provision for impairment of R19,53 million (2020-2021: R18,95 million) on receivables from non-exchange transactions for statutory receivables was made as the recoverability of this amount was doubtful.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the *basic service delivery key performance area* set out on pages xx to xx of the municipality's annual performance report for the year ended 30 June 2022.
17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material finding on the usefulness and reliability of the performance information of the selected key performance area are as follows:

Key performance area 2 – basic service delivery

Number of households with access to free basic electricity on a quarterly basis

19. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information. This was due to a lack of processes related to the collection, review and reporting of performance information for this indicator. I was unable to test whether the indicator was well-defined and verifiable by alternative means. As a result, I was unable to audit the reliability of the achievement of 4142 households with

access to free basic electricity reported against a target of 4142 households with access to free basic electricity on a quarterly basis in the annual performance report.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on pages xx to xx sets out information on the achievement of planned targets for the year.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the *basic service delivery key performance area*. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

24. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

25. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of receivables from exchange and non-exchange transactions, retentions, payables from exchange transactions, property; plant and equipment, and commitments identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

26. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).

27. The preference point system was not applied for some of the procurement of goods and services above R30 000, as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
28. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with CIDB Regulation 17.
29. Some of the invitations to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content, as required by the 2017 Preferential Procurement Regulation 8(2).
30. Some of the tenders which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as an unacceptable tender in accordance with the 2017 Preferential Procurement Regulation 5(6).

Consequence management

31. All of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
32. All of the fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Expenditure management

33. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
34. Reasonable steps were not taken to prevent unauthorised expenditure of R23,57 million, as disclosed in note 46 to the financial statements, in contravention of section 62(1)(d) of the MFMA.
35. Reasonable steps were not taken to prevent irregular expenditure of R53,67 million as disclosed in note 48 to the financial statements. The majority of the disclosed irregular expenditure was caused by supply chain management non-compliance.

Asset management

36. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Human resource management

37. An approved staff establishment was not in place, as required by section 66(1)(a) of the MSA.

38. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Strategic planning and performance management

39. A performance management system was not adopted, as required by municipal planning and performance management regulation 8.
40. The performance management system and related controls were inadequate as it did not describe how the performance monitoring, measurement, review and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1).

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that has been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control. The matters reported below are limited to the significant

internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

46. Key preventative controls and diligence around the preparation of the financial statements were lacking as evidenced by the material mistakes that were raised during the audit process. The same holds true for the monitoring compliance with key legislation, mainly related to supply chain and expenditure management as well as on the performance reporting process. In this regard, breakdowns in basic accounting disciplines such as complying with policies and procedures, the performance of key reconciliations and adequate record-keeping were identified. This was exacerbated by ineffective management supervision and review, as well as ineffective independent assurance and oversight.

Auditor-General

Pietermaritzburg

29 November 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected key performance area and on the municipality's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

6.3. Management Action Plan (Current Year)

ACTION PLAN TO ADDRESS AUDITOR GENERAL FINDING FOR 2021-2022 FINANCIAL YEAR: INCLUDING COGTA COMMENTS UMFOLOZI LOCAL MUNICIPALITY

Type of Opinion : Unqualified with matters

Type of Opinion Previous Year : Unqualified with matters

Nature Of Audit Query	Audit Query	Audit Response				
Report on the audit of annual financial statements			Person Responsible	Affected component	Time Frame	Status
1. Receivables from non-exchange transaction not compliant with GRAP 108	GRAP 108 provides for a risk-based approach to the impairment of non-exchange transactions based on the probability of non-payment. In accordance with GRAP 108.21 In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, an entity shall consider, as a minimum, the following indicators: (a) Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent. (b) It is probable that the debtor will enter sequestration, liquidation or other financial reorganisation.	Audit finding is noted: • Management will ensure that a receivable only qualifies for debts impairment after all reasonable steps have been taken to recover the debt in accordance with the credit control and debts policy. • And is satisfied that: The debtor cannot be traced. • All legal and other measures have been exhausted. Recovery will of the debt will cause undue hardship to the debtor or his dependents.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position and Financial Performance.	31 March 2023	

	(c) A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied). (d) Adverse changes in international, national, or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns					
Report on the audit of compliance with legislation			Person Responsible	Affected Component	Time Frame	Status
2. Impairment variances on statutory receivables from non-exchange transactions and exchange transactions	There is an unexplained difference in note four as the details recorded in the annotation for “Statutory receivables past due but not impaired did not agree with the supporting evidence for this expenditure provided for audit.	Audit finding is noted: • Management will investigate the differences noted and submit the outcome exercise to the auditors for evaluation. • Management will review the credit control and debts collection policy and ensure alignment to GRAP 108. • Management will investigate the duly VAT effect of impairment and make necessary adjustments.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Performance	31 March 2023	
3. Dondotha Sports complex flood damage: Impairment and financial loss	The Dondotha Sports complex which comprises work-in-progress infrastructure assets were severely damaged by heavy floods in January 2022 that caused extensive damage to complete, and as a result the structure was due to be impaired. Upon enquiry from management, they stated that the contractor had lodged an insurance claim to restore	Audit is noted. • Management will investigate the shortfall in the insurance and review transactions recognised in the financial statements and ensure that all records are accurately kept and follow performed to address any discrepancies.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	31 March 2023	

	the damages to the structure, as part of the initial agreement. As of year-end the contractor had managed to restore some of the damages from the insurance claims but could not fully restore work initially completed prior to the floods, this is due to the contractors insurance not being able to cover the loss, and claims being repudiated by the insurance company.	Management should review and provide the auditors with the proposed changes to the financial statements.				
4. Software expenditure incorrectly classified as intangible assets	Intangible asset acquired during the year were incorrectly classified as plant and property and equipment on the assets register, instead of being expensed, following transactions are payments for annual licences which should be expensed as does not meet the definition & recognition criteria for intangible Assets.	Audit finding is noted - Management will ensure that these is adequate skills within the municipality to maintain the asset register throughout the year. - A full review of the assets should be done to ensure that assets captured onto the register meet the criteria to be disclosed as an asset and is captured in the correct category. - Management should review and provide the auditors with the proposed changes to the financial statement.	Chief Financial Officer	Annual Financial Statement: Statement of Financial Position	31 March 2023	
5. Intangible asset incorrectly expensed	During the audit it was noted that the 2022-2023 license fee paid during the 2021-22 accounting period was incorrectly recognized as expenditure for the period under audit (2021/22).	Audit Finding is noted: Management will ensure they have adequate review measures is place to ensure all information presented on the annual financial statements are presented and disclosed completely.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	31 March 2022	

		Management will review and provide the auditors with the proposed changes to the financial statements.				
6. Assets register does not agree with the Annual Financial Statements	Section 62(1)(b) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. Unexplained differences were identified between the assets register provided on request and the general ledger balances.	Audit Finding is noted: Management will perform a thorough review of the financial statements and agree current opening balances to prior financial statements. Any differences will be investigated and resolved.	Chief Financial Officer	Annual Financial Statements: Statements of Financial Position	31 March 2023	
7. Inaccurate calculation of depreciation	The differences were noted in the comparison of recalculated depreciation and the depreciation stipulated in the fixed asset register.	Audit Finding is noted: Management will investigate the cause for the error and implement corrective measures. The review the entire population should be performed to identify and correct the disclosure and provide the auditors with the proposed changes to the financial statements.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Performance	31 March 2023	
8. Incomplete assets register, misclassification and	Section 62(1)(b) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this	Audit Finding is noted: Management must ensure proper management, ensuring safeguard of assets, constant	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	31 March 2023	

impairment Losses	purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.	monitoring of assets and properly account for all transactions for assets.				
9. The municipality incorrectly applied cash basis for input and output VAT	In terms of section 15 of the VAT Act, "Except as hereinafter provided, every vendor shall account for tax payable on an invoice basis for the purposes of section 16.	Audit Finding is noted: • Management will declare to SARS that they have incorrectly applied payment basis on their accounting for input and output VAT and reconcile it VAT returns on payment basis and VAT returns on invoice basis. A sum of these reconciling items should then be submitted to SARS together with the relevant supporting documentation. • Management will make a written application to SARS to change to payment basis in accordance with section 15 (2) of the VAT Act noted above.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	31 March 2023	
10. VAT receivables misstatements	During the audit of VAT receivables, differences were noted between the recalculated VAT receivables to VAT receivable balance disclosed in the statement of financial position,	Audit finding is noted: • Management will recalculate the VAT receivable balance and adjust the annual financial statements accordingly.	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	30 November 2022	
11. Limitation of scope for retention liability and incorrect	Evidence to support the retention liability amounts in the retention schedule as well as the amount recognised in the Annual Financial Statements could not be provided to the auditors	Audit Finding is noted: • Management provided the information to the auditors	Chief Financial Officer	Annual Financial Statements: Statement of Financial Position	30 November 2022	

retention liability						
12. Expenditure incorrectly accrued for	The expenditure incurred during the prior year accounting period is incorrectly recorded as expenditure for the current year (2021-22)	Audit Finding is noted: Management will make the proposed journal and review monthly all expenditure to ensure that there are correctly accounted for in the correct accounting period	Chief Financial Officer	Annual Financial Statements: Statement of Financial Performance.	30 November 2022	
13. Opening balance do not agree to prior year	Unexplained differences were identified between prior year audited annual financial statements and current year comparatives	Audit finding is noted: Management will make prior year changes to affect changes to prior year adjustments				
14. Amount recorded on the statement of financial position does not agree to amount disclosed in note 36	The statement of financial position does not agree to the amount disclosed in note 36	Audit finding is noted: Management will make necessary adjustments to Annual Financial Statements	Chief Financial Officer	Annual Financial Statements: Notes to AFS	30 November 2022	
15. Non-compliance with GRAP 18 on Segment Reporting	During the audit auditors identified that management does not monitor performance geographically and further at present does not have reliable separate financial information for decision marking purposes.	Audit Finding is noted: Management will make necessary amendments to annual financial statement to ensure compliance with GRAP 18	Chief Financial Officer	Annual Financial Statements: Notes to Annual Financial Statements	30 November 2022	
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Appendices

Appendix A: Councillors, Committee Allocation and Council Attendance

Councils, Committee Allocated and Council Attendance					
Council Members	Full Time/ part time FT/PT	Committee Allocated	Ward and/or Party Rep represented	Percentage Council Meetings Attended	Percentage Apologies for non- attendance
				%	%
Cllr X.M Bhengu	Full-time	Financial Services and Technical Services	Ward 12		
Cllr N.N. Gumede	Fulltime	Community Services and Corporate Services	PR		
Cllr M.M Mthiyane	Full-time	Speaker of Council	PR		
Cllr G.M. Khumalo	Parttime	Community Services	Ward 01		
Cllr AM Mtshali	Parttime	None	Ward 02		
Cllr E.S. Mthethwa	Parttime	None	Ward 03		
Cllr T.Z Mdhletshe	Parttime	MPAC	Ward 04		
Cllr M.N Nxumalo	Parttime	Local Labour Forum	Ward 05		
Cllr C. Makhunga	Parttime	Corporate Services	Ward 06		
Cllr B.T Ntombela	Parttime	Financial Services	Ward 07		
Cllr T.M Biyela	Parttime	Corporate Services and Financial Services	Ward 08		
Cllr S.G. Mthethwa	Parttime	MPAC	Ward 09		
Cllr S.Z. Mtetwa	Parttime	MPAC Chairperson	Ward 10		
Cllr P.M. Gumbi	Parttime	Technical Services	Ward 11		
Cllr T. Ndimande	Parttime	Technical Services	Ward 13		
Cllr N. S. Ngubane	Parttime	MPAC	Ward 14		
Cllr N. Conco	Parttime	Local Labour Forum	Ward 15		
Cllr P.B. Sithole	Parttime	MPAC	Ward 16		
Cllr S.E. Sibiya	Parttime	MPAC	Ward 17		
Cllr M.E Shobede	Parttime	Financial Services	Ward 18		
Cllr S.M. Shabangu	Parttime	Community Services	PR		
Cllr M.B. Makhaza	Parttime	MPAC	PR		
Cllr R.L.R Keyser	Parttime	Financial Services	PR		
Cllr T.D. Ngwenya	Parttime	Corporate Services	PR		
Cllr S.P. Mpanza	Parttime	Community Services	PR		
Cllr S.S. Gazu	Parttime	Community Services	PR		
Cllr S.R. Thabethe	Parttime	Technical Services	PR		
Cllr H.B Hadebe	Parttime	MPAC	PR		
Cllr K.S.C. Msweli	Parttime	MPAC	PR		
Cllr S.A. Ngema	Parttime	MPAC	PR		
Cllr T.N. Msweli	Parttime	MPAC	PR		
Cllr N.B. Mkhwanazi	Parttime	None	PR		
Cllr M. Shabalala	Parttime	None	PR		
Cllr B.V Mhlongo	Parttime	MPAC	PR		
Note: *Councillors appointed on a proportional basis do not have wards allocated to them.					

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Appendix B: Committees and Committee Purposes

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees		Purpose of Committees	
Executive Committee		The Executive Committee reports to, and is accountable to Council – ✚ Reviews the performance of the municipality in order to improve 1. the economy, efficiency and effectiveness of the municipality; 2. the efficiency of credit control and revenue and debt collection services; and 3. the implementation of the municipality's by-laws; ✚ Monitors the management of the municipality's administration in accordance with the policy directions of the municipal council (output monitoring); ✚ Oversees the provision of services to communities in the municipality in a sustainable manner; ✚ Annually reports on the involvement of communities and community organizations in the affairs of the municipality; ✚ Considers recommendations on the alignment of the IDP and the budget received from the relevant councillors; ✚ Ensures that regard is given to public views and reports on the effect of consultation on the decisions of the council; ✚ Makes recommendations to council regarding:-	
Corporate Services Portfolio Committee		Assisting the Executive Committee to maximize the effectiveness of the administrative capacity of the Municipality whilst ensuring that the administration is governed by the democratic values and principles enshrined in the Constitution by advising the Executive Committee on: 1. The policy framework referred to in Section 66 of the Local Government Municipal Systems Act. 2. The development of appropriate policy systems and procedures relating to: ■ The recruitment, selection and appointment of persons as staff members; ■ Service conditions of staff; ■ The supervision and management of staff; ■ The promotion and demotion of staff; ■ The transfer of staff; ■ Grievance procedures; ■ Disciplinary procedures; ■ The investigation of allegations of misconduct and complaints against staff; ■ The dismissal and retrenchment of staff; ■ Any other matter prescribed by regulation in terms of Section 72 of the Local Government Municipal Systems Act; ■ Job evaluation and grading system.	
Technical	Services	Portfolio Committee	The functional areas in which the Technical Services Portfolio Committee operates are: ■ Water ■ Electricity ■ Sanitations ■ Solid waste sites

			■ Regional Municipal airports ■ Public works ■ Business planning ■ Project Management ■ Contract Management ■ Local Economic Development ■ Tourism Development ■ Agriculture and Craft ■ Municipal Roads ■ Town Development ■ Municipal By-laws ■ Coordination of Housing Development
Financial Committee	Services Portfolio		The functional areas of in which the Finance Portfolio Committee will operate are: ■ Budget preparation and implementation. ■ Revenue and expenditure management. ■ Mid-year budget and performance assessment. ■ Revenue generation. ■ Debt collection, credit control and loans. ■ Supply chain management / procurement. ■ Capital expenditure control. ■ Investments. ■ Asset and liability Management. ■ Internal audit and audit Committee. ■ Financial reporting and Auditing. ■ Contracts Management ■ Compliance with Municipal Finance Management Act
Community Committee	Services Portfolio		The functional areas in which the Community Services Portfolio Committee will operate are: ■ Environmental Health ■ Disaster management ■ Emergency Services and Fire Fighting ■ Protection Services ■ Traffic and Law Enforcement ■ Public Transport ■ Pounds ■ Parks and Recreation ■ Nature Conservation ■ Sports and Recreation ■ Public Works ■ Public Amenities ■ Refuse Removal ■ Street Trading ■ Noise Pollution ■ Licensing and control of undertakings to sell liquor to the public ■ Facilities for the accommodation, care and burial of animals ■ Fresh produce markets ■ Noise Pollution ■ Solid Waste Management
Municipal Public Accounts Committee (MPAC)	Accounts		The primary functions of the Municipal Public Accounts Committee are as follows:

	■ To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an Oversight Report on the annual report; ■ In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports; ■ To examine the financial statements and audit reports of the municipality and the municipal entity, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee and the Auditor General's recommendations have been implemented; ■ To promote good governance, transparency and accountability in the use of municipal resources; ■ To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee; and ■ To perform any other functions assigned to it through a resolution of council within its area of responsibility.
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Appendix C: Third Tier Administrative Structure

Third Tier Stricture	
Directorate	Director/ Manager (state title and name)
Executive Department	Municipal Manager Mr KE Gamede (1 July 2021- 31 May 2022) Mr SS Maphanga (1 June 2022 – 1 June 2022)
Financial Services Department	Chief Financial Officer Mr ZJ Ndlovu (1 July 2021 – 30 June 2022)
Corporate Services Department	Senior Manager: Corporate Services Miss AS Shandu (1 July 2021 – 30 June 2022)
Community Services Department	Senior Manager: Community Services Vacant (1 July 2021- 30 November 2021) Mr SS Maphanga (1 December 2021 – 30 June 2022)
Technical Services Department	Senior Manager: Technical Services Mr Hlathswayo (1 July 2021 – 30 June 2022)

Appendix D: Functions of Municipality

Municipal Functions			
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Local/ District) *		
Constitution Scheduled 4, Part B functions:			
Air pollution	District Municipality/ Local Municipality		
Building regulations	Local Municipality		
Child care facilities	Local Municipality		
Electricity and gas reticulation	Local Municipality		
Firefighting services	District Municipality	Municipality/	Local
Local tourism	District Municipality	Municipality/	Local
Municipal planning	District Municipality	Municipality/	Local
Municipal health services	District Municipality		
Municipal public transport	Local Municipality		
Storm water management systems in the built-up areas	Local Municipality		
Trading regulations	Local Municipality		
Water and sanitation services limited to portable water supply system and domestic waste-water and sewage disposal systems	District Municipality		
Beaches and amusement facilities	Local Municipality		
Billboards and the display of advertisements in public places	Local Municipality		
Cemeteries, funeral parlours and crematoria	Local Municipality		
Cleansing	Local Municipality		
Control of public nuisances	Local Municipality		
Control of undertakings that sell liquor to the public.	Local Municipality		
Facilities for the accommodation, care and burial of animals.	Local Municipality		
Fencing and fences	Local Municipality		
Licencing of dogs	Local Municipality		
Licencing and control of undertakings that sell food to the public.	N/A		
Local amenities	Local Municipality		
Local sport facilities	Local Municipality		
Markets	Local Municipality		
Municipal abattoirs	District Municipality		
Municipal parks and recreation	Local Municipality		
Municipal roads	Local Municipality		
Noise pollution	Local Municipality		
Pounds	Local Municipality		
Public places	Local Municipality		

Refuse removal, refuse dumps and solid waste disposal.	District Municipality/ Local Municipality
Street trading	Local Municipality
Street lighting	Local Municipality
Traffic and parking	Local Municipality

Appendix E: Ward Reporting

Functionality of Ward Committees					
Ward no.	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/ No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during the year
1	Council Member: Cllr GM Khumalo Ward Committees: Mkhwanazi Zinhle S; Zungu Themba; Zwane Bright; Khumbulani Mavundla; Bonisiwe Mfekayi; Senzo Myeni; Ntombenhle P Mthiyane; Nomkhosi Mthiyane; Thuleleni Tembe James; Dube Gugu Cynthia	Yes	6	6	3
2	Council Member Cllr AM Mtshali Mjadu Zazi; Gonya Bongani;Mlambo Zama Dlamini Bandlelihle ;Biyela Simangalisio; Mhlongo Hlengiwe; Ntshangase; Mncedisi Shandu Nokuthula Hicks Geraldine;Barnes Russell	Yes	6	6	3
3	Council Member: Cllr ES Mthethwa Mbuyazi Bongani; Gumede Ace Dludla Patience;Dlamini Sicelo Mhlungu Bongiwe; Mbuyazi Celimpilo Mthiyane Sicelo; Vacant; Mhlongo Joel; ZamaZamokuhle	Yes	6	6	3
4	Council Member: Cllr TM Mdhlesthe Sigwaza Zibuyisile; Mtshali Sibongile Mthembu Nkosinathi; Hlekwayo Gugu;MoletsaneTsepo Hlongwane Xolani B.; Zikhali Khuphukile Hadebe Nkosinathi;Mkhwanazi Mzwakhile; Ncube Sabelo	Yes	6	6	3
5	Council Member Cllr Nxumalo Zikhali Nkosikhona; Khumalo Thembelihle Mthethwa Jahokwakhe;Zulu Scelo; Buthelezi Senzo;Mngadi Fikile; Shelembe Bonginkosi;Biyela Cashile Mthiyane Siyabonga; Mbuyazi Abton Maluza	Yes	6	6	3
6	Council Member: Cllr C. Makhunga Mayisa Sabelo; Mzobe Benzokuhle ; MbuyaziMakheni Khumalo Thobani; Mbatha; Mpisendlini Denis; Ntuli Nontokozo; Mthembu Alson; Dube Mbali; Sikhakhane Bhekuyise Cele Ntombifuthi.	Yes	6	6	3
7	Council Member Cllr AB Ntombela Sithole Sthembela; Mdletshe Zandile;Ndlela Ntuthuko Dlamini Nzuzo; Mdletshe Mfanafuthi; Mwandla Jabulani Miya Nokwazi; Mndaba Sicelo;Mdletshe Mapendane; SingilaMbuyiseni	Yes	6	6	3
8	Council Member Cllr TM Biyela (Hon. Deputy Mayor) Ndlovu Slindile; Nkosi Njabulo;Mthembu Zakhele	Yes	6	6	3

	Mabaso Baphindile; Mbuthu Phakamani V. Dlamini Sthulile; Mlambo Siyabonga; Ndlovu Ntombizodwa Khomoto Thamsanqa; Mthethwa RS				
9	Council Member Cllr Mthethwa Ndlovu Zodumo; Mdletshe Sinenhlaha Sikhakhan eLungisani; Mdletshe Azine B Nene Phumlani; Mthethwa Khayelihle Mtshali David; Nsimbi Muziwoxolo Mkhize Sizwe; Mthethwa M	Yes	6	6	3
10	Council Member: Cllr SZ Mthethwa Mthethwa Hlobile; Ngubane Bongumusa Zuma Vukani; Mbambo Bongiwe; Nene Thobile Witness Mpanza Thuthukani; Gumede Sibonokuhle Shabalala; Sinenhanhla Khanyile Alsaphina; Mthethwa AN	Yes	6	6	3
11	Council Member Cllr Gumbi Mpanza Sandile; Mthethwa Mpilenhle; Sithole Zanele Mbokazi Sabelo; Sithole Siphamandla; Sibiya Mboniseni Mgenge Lindani; Manqele Khayo Ndabandaba Philani	Yes	6	6	3
12	Council Member His Worship The Mayor Cllr Bhengu Mlotshwa Gladys; Biyela Tholakele Dladla Nkosinathi; Mchunu Sengiwakhile; Nxumal oNtokozo Mthethwa Mlungisi; Mthethwa Thulile Nzimande Nomvuselelo; Shelembe Nicholas Mvungamseni Mthethwa Mboniseni Thembinkosi	Yes	6	6	3
13	Council Member Cllr TNDimande Mathe Khanyisile; Vacant; Mngwengwe Philisiwe Mchunu Khipheni; Nqulunga Shokwakhe; Mdletshe Sibusiso Mvelase Philani; Dlamini Gijimani; Dlamini Gugu Mdletshe M	Yes	6	6	3
14	Council Member Cllr NS Ngubane Mkhwanazi Joice; Mbuyazi Bheki; Shezi Zodwa Ngema Thandeka; Ngema Khaya; Buthelezi Tholinhlahlala; Sithole Thabiso; Dladla Mandla; Cele Dumisani Ngema Mcoheni	Yes	6	6	3
15	Council Member Cllr Conco Vilakazi Xolani; Msimango Ntonto; Mtshali Sphesihle Mkhwanazi Sinothi; Nkosi Lucas; Mnqayi Musawenkosi Ngobese Sibongiseni Ngubane Cedric; Ntshangase Prosper	Yes	6	6	3
16	Council Member Cllr Sithole Mhlana Sibusiso; Ncamphalala Thando; Msweli Nomusa Xulu Nokuthula; Gumede Petros; Cele Sabelo Ntuli Nonhlahlala; Mbuyazi Happiness; Mbuyazi Mvikel Mbuyazi Bonginkosi	Yes	6	6	3
17	Council Member Cllr Sibiya Buthelezi Siph Mvelase Nonhlahlala; Shezi Nonhlahlala; Sibisi iSifiso Mkhwanazi Hlakaniphile; Magubane Lindiwe; Mnguni Nonjabulo Mdlolo Celiwe; Mngwengwe Mzokhona Ngema Sibongile T.	Yes	6	6	3
18	Council Member Cllr Shobede	Yes	6	6	3

Myeni Ernest; Msane Siphiwe; Khumalo Mandla; Linda Sizwe Gina Mduduzi; Mntambo Sibusiso; Mthethwa Zama; Mnyango Qaphelani; Mthethwa Hlengiwe; Mngomezulu Khulekani				
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Appendix F: Ward Information

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KZN281 Mfolozi - Supporting Table SA36 Detailed capital budget

R thousand														2021/22 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:																
List all capital projects grouped by Function																
Roads Transport																
	Ekuvukeni Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 06	28° 45' 08.66" S	32° 08' 15.95" E			2 309	-	-
	Nhlanzini Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 05	28° 41' 53.39" S	32° 10' 52.79" E			2 228	-	-
	Empumelelweni Access Roads		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 02	28° 33' 08.75" S	32° 03' 01.45" E			2 885	-	-
	Ntinkulu Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 03	28° 40' 24" S	32° 12' 11" E			2 706	-	-
	Ntongonya Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 01	28° 33' 07.48" S	32° 18' 57.55" E		2 214	3 516	-	-
	Kwalayini Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 17	28° 30' 22" S	31° 50' 02" E		1 812	2 530	-	-
	Mpumeni Acces Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 02					-	-	-
Sport and Recreation	Sbululwane Sportfield		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Sport and Recreation Facilities	Outdoor Facilities	Ward					-	-	-

Community Facilities	Mankwathini MPCC		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Centres	Ward 03	28° 39' 17.31" S	32° 12' 42.81" E			2 742	-	-
	WARD 14 MPCC		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Centres	Ward 14	28° 44' 53.30" S	32° 07' 39.02" E		1 000	2 453	-	-
	Bhiliya causeway		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Road Structures	Ward 17	28° 27' 03.41" S	32° 50' 22.53" E			1 296	-	-
	Dondotha High Masts		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Capital Spares	Ward 09	28° 33' 03.06" S	31° 56' 40.29" E			703	-	-
	Ward 06 High Masts		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Capital Spares	Ward 06	28° 44' 52.75" S	32° 07' 55.46" E			703	-	-
	Ward 06 High Mast 2		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Capital Spares	Ward 06	28° 44' 48.769" S	32° 08' 42.27" E			703	-	-
	Other Capital Projects/Expenditure		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services			All wards			34 011	60 230	6 065	32 842	32 079
Parent Capital expenditure												34 011	65 256	30 838	32 842	32 079
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure												-	-	-	-	-
Total Capital expenditure												34 011	65 256	30 838	32 842	32 079
References																
Must reconcile with Budgeted Capital Expenditure																

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function													
Asset class as per table A9 and asset sub-class as per table SA34													
GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.													
Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13							check	-	-	-	-	-	-
Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)													

Appendix G: Service Providers Performance Schedule

Assessment of the performance of External Service Provider

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

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

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
Protea Consulting Inc.	26 April 2021	Provision of Performance Management	R6301526	Compiling the Service Delivery Budget and Implementation Plan Compiling Monthly and Quarterly Reports Compiling the Performance Agreements and Performance Plans	Compiled the Service Delivery Budget and Implementation Plan Monthly and Quarterly Reports Compiled the Performance Agreements and Performance Plans	Compiling the Service Delivery Budget and Implementation Plan Compiling Monthly and Quarterly Reports Compiling the Performance Agreements and Performance Plans	Compiled the Service Delivery Budget and Implementation Plan Compiled Monthly and Quarterly Reports Compiled the Performance Agreements and Performance Plans	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
Camelsa Consulting Group	20 Sept 2016	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Rate Based	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Implementation of MSCOA. Accounting System Drew up Financial Statements and FAR for 2019/2020	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Implementation of MSCOA. Accounting System Drew up Financial Statements and FAR for 2020/2021	G		
Mills Fitchet Natal PTY LTD	1 July 2020	Preparation of General Valuation Roll	R683 280	Preparation of General Valuation Roll	In progress	Preparation of General Valuation Roll	In Progress	G		
Brand Partners pty ltd	28 Jan 2020	Proposal for the development and implementation of a municipal communications strategy	R 9 980 000.00	Proposal for the development and implementation of a municipal communications strategy	On going	Proposal for the development and implementation of a municipal communications strategy	On going	G		
Thuthukani Gardening Services	20 June 2019	Provision of dislodging of septic tanks services for a period of three 3 years	R 674 783.26	Provision of dislodging of septic tanks services for a period of three 3 years	Provided the dislodging septic tanks service	Provision of dislodging of septic tanks services for a period of three 3 years	Provided the dislodging septic tanks service	G		
Umnotho Business Consultants	20 Jun 2019	Table 4 Reports to the Audit Committee Reports	R 3 235 526.75	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	G		
Olix Invest	01-Jan-018	To provide IT advisory services to the administrative component of the Municipality	R 2 367 600.00	To provide IT advisory services to the administrative component of the Municipality	Provided IT advisory services to the administrative component of the Municipality	To provide IT advisory services to the administrative component of the Municipality	Provided IT advisory services to the administrative component of the Municipality	G		
RNT Consulting	28 August 2018	Support Maintenance, rental Software and Hardware	R2 760437.35	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	Support Maintenance, rental Software and Hardware	G		
Green Door Environmental	April 2021	Application for water use license for the Municipal Area	R80 000	N/A	N/A	Application for water use license for the Municipal Area	Specialist Studies, Application with the Department of Water and Sanitation	G		
Geo Africa Surveys	December 2020	Develop Sub Division Application for the portion of the Municipal Land	+/-R100 000	N/A	N/A	Develop Sub Division Application for the portion of the Municipal Land	Draft application has been completed and is being circulated to relevant departments	G		
Kunene Risk Resolutions	1 Aug 2018	Provision of Short-Term Risk Solutions	R1261440.00	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	Provision of Short-Term Risk Solutions	G		
Thuthukani Gardening	19 Dec 2020	Provision of dislodging of septic tank services	252000	Provision of dislodging of septic tank services	Dislodging of septic tank services	Provision of dislodging of septic tank services	Dislodging of septic tank services	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
DLV Project managers & Engineers	01 February 2021	To design, execute and monitor progress of Ekuvukeni access road project.	R 462 708,24	N/A	N/A	To design, execute and monitor progress of Ekuvukeni access road project.	DLV Project managers & Engineers completed supervising the project within the stipulated period	G		
DLV Project managers & Engineers	01 February 2021	To design, execute and monitor progress of Ntongonya access road project.	R 580 839,83	N/A	N/A	To design, execute and monitor progress of Ntongonya access road project.	DLV Project managers & Engineers completed supervising the project within the stipulated period	G		
Simphulwazi Engineers	01 February 2021	To design, execute and monitor progress of Mpumelweni access road project.	R 516 915,32	N/A	N/A	To design, execute and monitor progress of Mpumelweni access road project.	Simphulwazi Engineers completed supervising the project within the stipulated period	G		
Umkhonto Professional services	01 February 2021	To design, execute and monitor progress of Kwalayini access road project	R 613 704,22	N/A	N/A	To design, execute and monitor progress of Kwalayini access road project	Umkhonto Professional services completed supervising the project within the stipulated period.	G		
TPA Consulting	01 February 2021	To design, execute and monitor progress of Ntinkulu access road project	R 367 749,48	N/A	N/A	To design, execute and monitor progress of Ntinkulu access road project	TPA Consulting completed supervising the project within the stipulated period.	G		
PGA Consultants	01 February 2021	To design, execute and monitor progress of Nhlanzini access road project	R 617 422,67	N/A	N/A	To design, execute and monitor progress of Nhlanzini access road project	PGA Consultants completed supervising the project within the stipulated period.	G		
M&C Consultants	21 February 2021	To design, execute and monitor progress of Dondotha High Must project	R 85 166,35	N/A	N/A	To design, execute and monitor progress of Dondotha High Must project	M&C Consultants completed supervising the project within the stipulated period.	G		
TPA Consultants	21 February 2021	To design, execute and monitor progress of Ngamanzi High Must project	R 90 321.00	N/A	N/A	To design, execute and monitor progress of Ngamanzi High Must project	TPA Consultants completed supervising the project within the stipulated period.	G		
TPA Consultants	21 February 2021	To design, execute and monitor progress of Eluthela High Must project	R90 321.00	N/A	N/A	To design, execute and monitor progress of Eluthela High Must project	TPA Consultants completed supervising the project within the stipulated period.	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
*Civtech	01 February 2021	To design, execute and monitor progress of Mankwathini MPCC project	R 776 020.00	N/A	N/A	To design, execute and monitor progress of Mankwathini MPCC project	Civtech didn't complete the project was terminated due to power workmen ship I terms of design and supervision.			P
SPK Engineers	01 February 2021	To design, execute and monitor progress of Ward 14 MPCC project	R 816 561,79	N/A	N/A	To design, execute and monitor progress of Ward 14 MPCC project	TPA Consultants completed supervising the project within the stipulated period.	G		
Nomandla	1 Jan 2018	To provide cleaning services to the administrative buildings of the Municipality, Thusong Centre, Fire Services, Regia Place.	R 997 376.88	Providing Cleaning Services for the Municipal Offices	Provided Cleaning Services for Municipal Offices, Thusong Centre, Fire Services, NO. 62 Regia Place. The contract ended on the 28 th of February 2022	Provide Monthly Cleaning Services and Hygiene Reports Attend Monthly Cleaning and Hygiene Committee Engagement Meetings	Provided Eight (8) Cleaning and Services monthly operations reports Attended Nine (09) monthly engagement meetings on Cleaning Services operations	G		
Unakane Business Enterprise	01 March 2022	To provide Cleaning, Hygiene Services Cleaning Equipment and materials	R 7 097 604.00	Provision of Cleaning Services for the Municipal Offices, Thusong Centre, Fire Services, Regia Place, DLTC and Zonza Library for the period of three years (01 March 2022-28 February 2025)	Provided Cleaning Services for Municipal Offices, Thusong Centre, Fire Services and Regia Place	Provide Monthly Cleaning Services and Hygiene Reports Attend Monthly Cleaning and Hygiene Committee Engagement Meetings	Provided four (04) Cleaning and Services monthly operations reports Attended four (04) monthly engagement meetings on Cleaning Services operations	G		
Konica Minolta	01-Jul-2021	Rental of Printing Solutions Management	R 1 449 091.49	Providing 11 multi-function network photocopiers machine	Provided 11 multi-function network photocopiers machine	Delivery of 11 multi-function network to Municipal Offices, Thusong Centre, Municipal Library, Mzingazi Library and Zonza Library	Delivered Eleven (11) Photocopying Machines to Municipal Offices, Thusong Centre, Municipal Library, Mzingazi Library and Zonza Library.	G		
Siyejabula Security Solution	01-Jul-2021	Provision of security services for uMfolozi Local Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library and Zonza Library	R 16 718 955.99	Providing Security Services for uMfolozi Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library and Zonza Library for the period of three years (01 July 2022 – 30 June 2024)	Provided Security Services for uMfolozi Local Municipal Offices, Thusong Centre, Waste Transfer Station, Mzingazi Library, Zonza Library and DLTC	Provision of Garde C Security Guards, Grade B Supervisors VIP Guars, ITALK, Vehicle and Patrol System Produce Security Services Operational Monthly Report Produce Threat Risk Analysis Report: (Annually) Produce incidents Report as and when occurred Attend Safety and Security Committee meetings on Security Monthly Operations	Provided (33) Grade C Guards, (2) Grade B Supervisors, (2) VIP Guards, 1 Vehicle and Talk Radios & Patrol System Produced (12) Security Services Operational Monthly Reports Produced (01) Threat Risk Analysis Report: for 2021/2022 Financial year. Produced five (05) incidents Reports Attended twelve (12). Safety and Security Committee meetings on Security Monthly Operations	G		

Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
				Target	Actual	Target	Actual	G	S	P
*KwaJ Investments	31 May 2021	Construction of Ntongoya Access Road	R2895233.50	N/A	N/A	Construction of Ntongoya Access Road	Site establishment Plant issues			P
Civtech- There was a breakdown of communication between the Service Provider and the Municipality and did not deliver as per the scope. The Municipality followed process to correct the underperformance however there was no improvement which led to formal termination of contract. The remaining contractual payments were not made to the service provider as the work was not done. KwaJ Investments- The contractor failed to proceed with the scope that he was given in accordance with the approved program.										

Appendix H: Revenue Collection Performance

Appendix H(i): Revenue Collection Performance by Vote

KZN281 Mfolozi - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand																
Revenue by Vote	-															
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		15 142	15 142	15 142	15 142	15 142	15 142	15 142	15 142	15 142	15 142	15 142	15 142	181 698	192 104	191 640
Vote 3 - Finance & Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning & Development		115	115	115	115	115	115	115	115	115	115	115	115	1 376	1 475	1 533
Vote 5 - Public Safety		11	11	11	11	11	11	11	11	11	11	11	11	130	135	141
Vote 6 - Sports & Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	450	-
Vote 7 - Road Transport		2 2 179	2 179	2 2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 2 179	2 2 179	2 2 179	26 150	28 016	29 131

Vote 8 - Waste Management		190	190	190	190	190	190	190	190	190	190	190	190	2	767	813
Vote 9 - Community & Social Services		253	253	253	253	253	253	253	253	253	253	253	253	3	3	3
Vote 10 - Community & Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Community & Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy Sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Enviromental Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		17 889	17 889	17 889	17 889	17 889	17 889	17 889	17 889	17 889	17 889	17 889	17 889	214 672	226 134	226 445
<u>Expenditure by Vote to be appropriated</u>	-															
Vote 1 - Executive & Council		3 407	3 407	3 407	3 407	3 407	3 407	3 407	3 407	3 407	3 407	3 407	3 407	40 890	42 803	39 721
Vote 2 - Finance & Administration		5 930	5 930	5 930	5 930	5 930	5 930	5 930	5 930	5 930	5 930	5 930	5 930	71 154	73 151	74 022
Vote 3 - Finance & Administration		1 442	1 442	1 442	1 442	1 442	1 442	1 442	1 442	1 442	1 442	1 442	1 442	17 302	18 829	18 595
Vote 4 - Planning & Development		688	688	688	688	688	688	688	688	688	688	688	688	8 259	8 765	9 293
Vote 5 - Public Safety		1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	14 139	14 794	15 679
Vote 6 - Sports & Recreation		36	36	36	36	36	36	36	36	36	36	36	36	431	431	431

Vote 7 - Road Transport		737	737	737	737	737	737	737	737	737	737	737	737	8	9	10
		737	737	737	737		737	737	737	737	737	737	737	848	438	016
Vote 8 - Waste Management		518	518	518	518	518	518	518	518	518	518	518	518	6	6	6
		518	518	518	518		518	518	518	518	518	518	518	220	453	765
Vote 9 - Community & Social Services			1		1	1 072	1	1	1	1	1	1	1	12	13	14
		1 072	072	1 072	072		072	072	072	072	1 072	1 072	1 072	860	584	364
Vote 10 - Community & Social Services		0	0	0	0	0	0	0	0	0	0	0	0	1	51	67
		0	0	0	0		0	0	0	0	0	0	0	1	51	67
Vote 11 - Community & Social Services		676	676	676	676	676	676	676	676	676	676	676	676	8	9	9
		676	676	676	676		676	676	676	676	676	676	676	107	441	906
Vote 12 - Energy Sources		138	138	138	138	138	138	138	138	138	138	138	138	1	1	1
		138	138	138	138		138	138	138	138	138	138	138	650	733	819
Vote 13 - Enviromental Protection		5	5	5	5	5	5	5	5	5	5	5	5	55	123	135
		5	5	5	5		5	5	5	5	5	5	5	55	123	135
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	189 915	199 596	200 815
		15 826	15 826	15 826	15 826		15 826	15 826	15 826	15 826	15 826	15 826	15 826	189 915	199 596	200 815
Surplus/(Deficit) before assoc.		2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630
		2 063	2 063	2 063	2 063		2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630
		2 063	2 063	2 063	2 063		2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630

Appendix H(ii): Revenue Collection Performance by Source

KZN281 Mfolozi - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source	-															
Property rates		2 353	2 353	2 353	2 353	2 353	2 353	2 353	2 353	2 353	2 353	2 353	2 353	28 233	29 928	31 723
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		60	60	60	60	60	60	60	60	60	60	60	60	723	767	813
		-	-	-	-	-	-	-	-	-	-	-	-			
Rental of facilities and equipment		68	68	68	68	68	68	68	68	68	68	68	68	822	871	923
Interest earned - external investments		117	117	117	117	117	117	117	117	117	117	117	117	1 404	1 488	1 577
Interest earned - outstanding debtors		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 248	1 298
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23	23	23	23	23	23	23	23	23	23	23	23	277	288	300
Licences and permits		11	11	11	11	11	11	11	11	11	11	11	11	130	135	141
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		12 960	12 960	12 960	12 960	12 960	12 960	12 960	12 960	12 960	12 960	12 960	12 960	155 516	163 167	160 304
Other revenue		18	18	18	18	18	18	18	18	18	18	18	18	217	226	235
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		15 710	15 710	15 710	15 710	15 710	15 710	15 710	15 710	15 710	15 710	15 710	15 710	188 522	198 117	197 314
Expenditure By Type	-															
Employee related costs		6 340	6 340	6 340	6 340	6 340	6 340	6 340	6 340	6 340	6 340	6 340	6 340	76 079	79 797	84 554

Remuneration of councillors		988	988	988	988	988	988	988	988	988	988	988	988	11 856	12 396	12 984
Debt impairment		212	212	212	212	212	212	212	212	212	212	212	212	2 542	2 644	2 749
Depreciation & asset impairment		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	17 213	17 902	18 618
Finance charges		46	46	46	46	46	46	46	46	46	46	46	46	547	574	603
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		197	197	197	197	197	197	197	197	197	197	197	197	2 365	2 014	2 098
Contracted services		3 374	3 374	3 374	3 374	3 374	3 374	3 374	3 374	3 374	3 374	3 374	3 374	40 493	42 119	34 281
Transfers and subsidies		121	121	121	121	121	121	121	121	121	121	121	121	1 450	2 239	2 311
Other expenditure		3 114	3 114	3 114	3 114	3 114	3 114	3 114	3 114	3 114	3 114	3 114	3 114	37 370	39 911	42 615
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	15 826	189 915	199 596	200 815
Surplus/(Deficit)		(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(1) 393	(1) 479	(3) 501
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 179	2 179	26 150	28 016	29 131
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	2 063	24 757	26 538	25 630

Appendix I: Conditional Grants Received

Government Grants and Subsidies	2022	2021
Operating grants		
Equitable share	147 696 000	166 548 000
Library Grant	3 037 000	2 898 000
Financial Management Grant	1 850 000	1 900 000
Expanded Public Works Program Grant	1 557 722	1 441 278
Maintenance of Sport Facilities Grant	37 606	527 607
	154 178 328	173 314 885
Capital grants		
Sports and Recreation Grant	7 448 047	8 751 077
Municipal Infrastructure Grant	42 526 000	43 592 000
	49 974 047	52 343 077
	204 152 375	225 657 962
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
The difference of 2022: 0 (2021: R 745 000) between the balance as per accounts and DORA allocation is brought about unspent grant of Municipal Disaster grant which was reverted to the National Revenue Fund.		
Equitable share reconciliation		
Equitable share allocation	147 696 000	167 293 000
Equitable share disclosed	(147 696 000)	(166 548 000)
	-	745 000
Municipal Infrastructure Grant (MIG)		
Current-year receipts	42 526 000	43 592 000
Conditions met - transferred to revenue	(42 526 000)	(43 592 000)
	-	-
	2022	2021
Spatial Development Framework Grant		
Balance unspent at beginning of year	260 964	260 964

Library Grant

Current-year receipts	3 037 000	2 898 000
Conditions met - transferred to revenue	(3 037 000)	(2 898 000)
	-	-

Financial Management Grant

Current-year receipts	1 850 000	1 900 000
Conditions met - transferred to revenue	(1 850 000)	(1 900 000)
	-	-

Title Deeds Restoration Grant

Balance unspent at beginning of year	200 000	200 000
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Development Planning and Shared Services Grant

Balance unspent at beginning of year	172 498	172 498
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Small Town Rehabilitation Grant

Balance unspent at beginning of year	336 034	336 034
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Sport and Recreation Grant

Balance unspent at beginning of year	4 198 046	4 162 124
Current-year receipts	3 250 000	8 787 000
Conditions met - transferred to revenue	(7 448 046)	(8 751 078)
	-	4 198 046

Schemes Support Program Grant		
Balance unspent at beginning of year	60 800	60 800
Maintenance of Sport Facilities Grant		
Balance unspent at beginning of year	37 605	565 212
Conditions met - transferred to revenue	(37 605)	(527 607)
	-	37 605
Expanded Public Works Programme Grant		
Balance unspent at beginning of year	346 722	-
Current-year repayments	(346 000)	-
Current-year receipts	1 557 000	1 788 000
Conditions met - transferred to revenue	(1 557 722)	(1 441 278)
	-	346 722
Integrated National Electrification Grant		
Current-year receipts	-	9 000 000
Conditions met - transferred to revenue	-	(9 000 000)
	-	-