

2022 - 2023

# FINAL ANNUAL REPORT



**UMFOLOZI LOCAL MUNICIPALITY**

# Contents

<b>CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>Component A: Mayor's Foreword .....</b>	<b>5</b>
<b>Component B: Executive Summary .....</b>	<b>7</b>
<b>1.1. Municipal Manager's Overview.....</b>	<b>7</b>
<b>1.2. Municipal functions, population and environment overview.....</b>	<b>8</b>
<b>1.3. Service delivery overview .....</b>	<b>30</b>
<b>1.4. Financial health overview .....</b>	<b>31</b>
<b>1.5. Organisational development overview.....</b>	<b>32</b>
<b>1.6. Statutory Annual Report process .....</b>	<b>33</b>
<b>CHAPTER 2 - GOVERNANCE .....</b>	<b>36</b>
<b>Component A: Political and Administrative Governance.....</b>	<b>36</b>
<b>2.1. Political Governance.....</b>	<b>37</b>
<b>2.2. Administrative Governance .....</b>	<b>38</b>
<b>Component B: Intergovernmental Relations .....</b>	<b>40</b>
<b>2.3. Intergovernmental Relations .....</b>	<b>40</b>
<b>Component C: Public Accountability and Participation .....</b>	<b>41</b>
<b>2.4. Public Meetings.....</b>	<b>41</b>
<b>2.5. IDP Participation and Alignment .....</b>	<b>52</b>
<b>Component D: Corporate Governance .....</b>	<b>52</b>
<b>2.6. Risk Management .....</b>	<b>53</b>
<b>2.7. Anti-Corruption and Fraud .....</b>	<b>53</b>
<b>2.8. Supply Chain Management .....</b>	<b>54</b>
<b>2.9. By-Laws .....</b>	<b>54</b>
<b>2.10. Websites .....</b>	<b>54</b>
<b>2.11. Public Satisfaction on Municipal Services.....</b>	<b>55</b>
<b>CHAPTER 3 - SERVICE DELIVERY PERFORMANCE .....</b>	<b>55</b>
<b>Component A: Basic Services.....</b>	<b>55</b>
<b>3.1. Water Provision .....</b>	<b>56</b>
<b>3.2. Waste Water (Sanitation) Provision.....</b>	<b>57</b>
<b>3.3. Electricity .....</b>	<b>57</b>
<b>3.4. Waste Water (Storm water Drainage).....</b>	<b>57</b>
<b>3.5. Waste Management.....</b>	<b>58</b>

<u>3.6. Housing</u> .....	67
<u>3.7. Indigent Support</u> .....	68
<b>Component B: Road Infrastructure</b> .....	<b>68</b>
<u>3.9. Roads</u> .....	69
<b>Component C: Planning AND Development</b> .....	<b>70</b>
<u>3.10. Planning</u> .....	70
<u>3.11. Local Economic Development</u> .....	70
<b>Component D: Community and Social Services</b> .....	<b>77</b>
<u>3.12. Libraries and Community Facilities</u> .....	77
<u>3.13. Child Care, Aged Care, Social Programmes</u> .....	105
<b>Component E: Environmental Protection</b> .....	<b>107</b>
<u>3.14. Pollution Control</u> .....	107
<u>3.15. Bio-diversity and Landscape</u> .....	108
<b>Component F: Security and Safety</b> .....	<b>112</b>
<u>3.15. Police</u> .....	112
<b>Component G: Sport and Recreation</b> .....	<b>115</b>
<u>3.16. Sport and Recreation</u> .....	115
<b>Component H: Corporate Policy Offices and Other Services</b> .....	<b>116</b>
<u>3.17. Executive and Council</u> .....	116
<u>3.18. Finance</u> .....	116
<u>3.19. Human Resources Services</u> .....	117
<u>3.20. Information and Communication Technology (ICT) Services</u> .....	118
<u>3.21. Administration</u> .....	119
<b>Component I: Organisational Annual Performance: Annual Performance Report</b> .....	<b>123</b>
<b>CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)</b> .....	<b>124</b>
<b>Component A: Introduction to the Municipal Personnel</b> .....	<b>124</b>
<b>Component B: Managing the Workforce</b> .....	<b>126</b>
<u>4.1. Policies</u> .....	126
<u>4.2. Performance Rewards</u> .....	127
<b>Component C: Capacitating the Municipal Workforce</b> .....	<b>127</b>
<u>4.3. Skills Development and Training</u> .....	129
<b>Component D: Managing the Workforce Expenditure</b> .....	<b>130</b>
<u>4.4. Employee Expenditure</u> .....	130

<b>CHAPTER 5 - FINANCIAL PERFORMANCE .....</b>	<b>132</b>
<b>Component A: Statements of Financial Performance .....</b>	<b>132</b>
5.1. <u>Statements of Financial Performance</u> .....	132
5.2. <u>Grants</u> .....	133
5.3. <u>Asset Management</u> .....	135
5.4. <u>Financial Ratios Based on Key Performance Indicators</u> .....	135
<b>Component B: Spending Against Capital Budget.....</b>	<b>138</b>
5.5. <u>Capital Expenditure</u> .....	138
5.6. <u>Sources of Finance</u> .....	138
5.7. <u>Capital Spending on 5 Largest Projects</u> .....	140
5.8. <u>Basic Service and Infrastructure Backlogs</u> .....	141
<b>Component C: Cash Flow Management and Investments .....</b>	<b>141</b>
5.9. <u>Cash Flow</u> .....	141
5.10. <u>Borrowing and Investments</u> .....	142
<b>Component D: Other Financial Matters.....</b>	<b>142</b>
5.11. <u>Supply Chain Management</u> .....	142
5.12. <u>GRAP Compliance</u> .....	143
<b>CHAPTER 6 - AUDITOR GENERAL AUDIT FINDINGS .....</b>	<b>144</b>
<b>Component A: Auditor General Opinion 2021/2022 .....</b>	<b>144</b>
6.1. <u>Auditor General Reports 2021/2022</u> .....	144
<b>Component B: Auditor General Opinion (2022/2023) .....</b>	<b>153</b>
6.2. <u>Auditor General Report (2022/2023)</u> .....	153
6.3. <u>Management Action Plan (Current Year)</u> .....	164
<b>Appendices .....</b>	<b>165</b>
<u>Appendix A: Councillors, Committee Allocation and Council Attendance.</u> .....	165
<u>Appendix B: Committees and Committee Purposes</u> .....	166
<u>Appendix C: Third Tier Administrative Structure</u> .....	170
<u>Appendix D: Functions of Municipality</u> .....	170
<u>Appendix E: Ward Reporting</u> .....	172
<u>Appendix F: Ward Information</u> .....	174
<u>Appendix G: Service Providers Performance Schedule</u> .....	177
<u>Appendix H: Revenue Collection Performance by Vote</u> .....	181
<u>Appendix H(ii): Revenue Collection Performance by Source</u> .....	183
<u>Appendix I: Assessments by the Accounting Officer on Arrears on Municipal Taxes and Service Charges</u> .....	184
<u>Appendix J: Disclosure of Financial Interest</u> .....	185
<u>Appendix K: The recommendations of the audit committee</u> .....	186



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 we 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. This also promotes accountability to the stakeholders of the community and community at large.

It is important to uMfolozi Integrated Development Plan (IDP) that is aligned to National Development Plan, Provincial Growth Development Plan and the District Development Plan. The members of the public had been invited upon the development of the IDP and corrective measures were considered to ensure that there are improvements in service delivery to the community of the municipality. This ensures acceleration of service delivery.

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 2022/2023 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 2022/2023 with one vacancy for the positions of Municipal Manager and the position was filled in November 2022. The Acting Municipal Manager was appointed on the 01<sup>st</sup> of July 2023. Senior Manager Community Services was appointed to act on behalf of the municipal manager. We have been able to successfully ensure continuity with the fully capable staff available within this Department.

The conclusion of the 2021/22 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. The performance management report however received a qualified audit opinion during the 2021/2022 financial year.

We would like to thank the Municipal Leadership for their contribution in bettering the lives of people of uMfolozi, 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.

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Municipal Manager

Mr LS Jili

## **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	%
<b>Regional/Waterscheme (operated by Municipality or other water services provided)</b>	23 537	67.4%
<b>Borehole</b>	1 007	2.9%
<b>Spring</b>	298	0.9%
<b>Rainwater tank</b>	638	1.8%
<b>Dam/pool/stagnant water</b>	880	2.5%
<b>River/stream</b>	1 073	3.1%
<b>Water vendor</b>	2 143	6.1%
<b>Water tanker</b>	5 181	14.8%
<b>Other</b>	185	0.5%
<b>Total</b>	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%
<b>Total</b>	<b>82817</b>	<b>81%</b>	<b>116 367</b>	<b>74494</b>	<b>41874</b>	<b>34.5 %</b>

## **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
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
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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
<ul style="list-style-type: none"> <li>■ Location of the Municipality at a proximity to the Richards Bay Port</li> </ul>	<ul style="list-style-type: none"> <li>■ uMfolozi Municipal coastline is reach for tourism purposes</li> </ul>
<ul style="list-style-type: none"> <li>■ N2 (Corridor Development), which easily links uMfolozi to Richards Bay and Durban</li> </ul>	<ul style="list-style-type: none"> <li>■ Relatively young population which could be skilled</li> </ul>

■ 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
<b>WEAKNESSES</b>	<b>THREATS</b>
■ 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 reviewed and adopted by Council during the 2022/23 financial year. The strategy is currently under implementation and serves as a mechanism of intervention in strategically guiding and directing the implementation of economic development initiatives in uMfolozi LM in an integrated manner, based on detailed research of the local economic situation, building upon the strengths and opportunities of the locality, and identifying areas requiring additional support.

the LED Strategy also serves as a tool of strategic integration and alignment with another key national, provincial, district, and local programmes and strategies – such as the National LED Framework (2018-2022), the 2021 KwaZulu-Natal (KZN) Provincial Growth and Development Strategy (KZN PGDS), the uMfolozi Integrated Development Plan (IDP), and Spatial Development Framework (SDF)

### 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 **R180 000, 00** for the 2023/24 financial year has been put aside for a research study on LED feasibility within the jurisdiction of uMfolozi. 2022/23 research and growth budget were utilized on the compilation of a new Municipal Agricultural Plan a service provider was appointed in January 2023.

#### **LED Projects**

The major LED initiatives/project include the following:

Macadamia Project in ward 16

Toilet paper project in ward 05;

Mushroom project in ward 12;

Bakery project in ward 17;

## HOUSING

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**

According to the amendment of the National Environmental Management: Waste Management Act (No. 59 of 2008), uMfolozi transfer station is now operating according to section 4 of the Norms and Standards (registration number: KZN/DC28/020/UMF/REG/2020) at 2-6 Saligna Road, ward 2, KwaMbonambi

town. The transfer station is authorized to temporarily store garden as well as domestic refuse for recycling purposes. In line with the recycling process, the municipal waste transfer station serves as a buy back center. It is used for the temporal storage of garden waste and refuse. The garden waste is transported to the district land fill site (permit number: 16/2/7/W122/D1/Z1/P485) 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, compactor 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 uMfolozi 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 6481 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), ward 16, ward 14, ward 6, ward 5 and ward 3 at least once a month. Kerbside collection is done at KwaMbonambi town every Monday; Slovo, Mposa and Amangwe Village every Wednesday. The disposal of a pit system is encouraged in remote areas. The communities are encouraged to dig pits that are big enough and must be enclosed (have something cover it) so that it does not create a nuisance such as flies.

### 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	-
Building Waste	-
Street Sweepings	Kerb Site Collection
Medical Waste	-
Hazardous Waste	-

### Waste Quantities and Characteristics

Waste Types Produced	Volumes (in m <sup>3</sup> )	Waste Storage
Domestic	9m <sup>3</sup> per day	No
Business		No
Industrial		No
Garden Waste		No
Building Waste		No

16m<sup>3</sup> per week

2 /

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
Mbonambi Transfer Station	Paper; Glass; Metal; Plastic	At Mbonambi Transfer Station

### Waste Treatment Facilities and Transfer Stations

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

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 programme has been budgeted for in the 2023/2024 financial year.

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.

<b>KwaMbonambi</b>		<b>Proclaimed Urban Settlement within the centre of the Municipality</b>
<b>Sobukwe</b>		Informal Settlement
<b>Lake Teza</b>		Formal conservation area
<b>Ingonyama Trust Land</b>		East and West of the privately owned land
<b>Coastal areas</b>		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
<b>Primary</b>	KwaMbonambi
<b>Secondary Node</b>	Dondotha Edwaleni Mambuka
<b>Economic Development Node</b>	Hlaweni Mabhuyeni Nzalabantu
<b>Rural Service Node</b>	Dumisane Fuyeni Makhwezini Novundla Ntuthunga 1 Ntuthunga 2 Sabokwe

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.

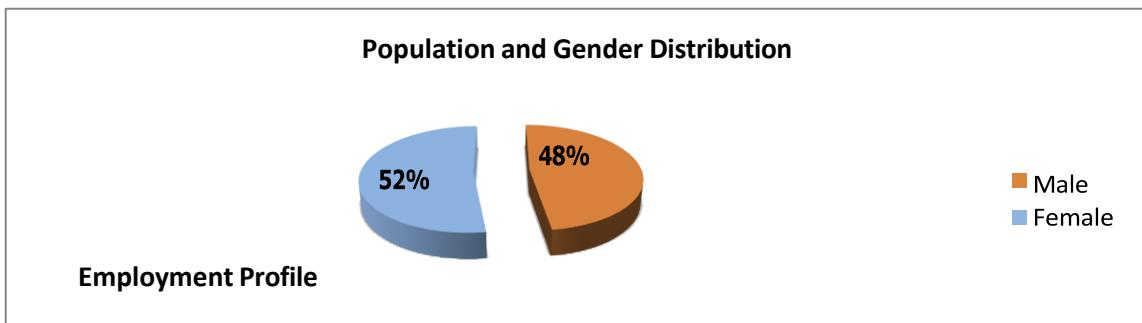
The population statistics that are presented on this section allows both government and non-government institutions to strategize on how to efficiently implement and facilitate service delivery within the jurisdiction of uMfolozi in an integrated manner.

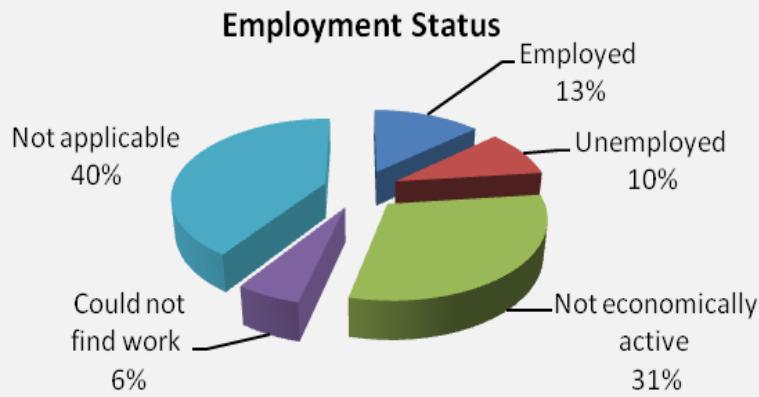
### **Distribution of Population by Household Density**

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

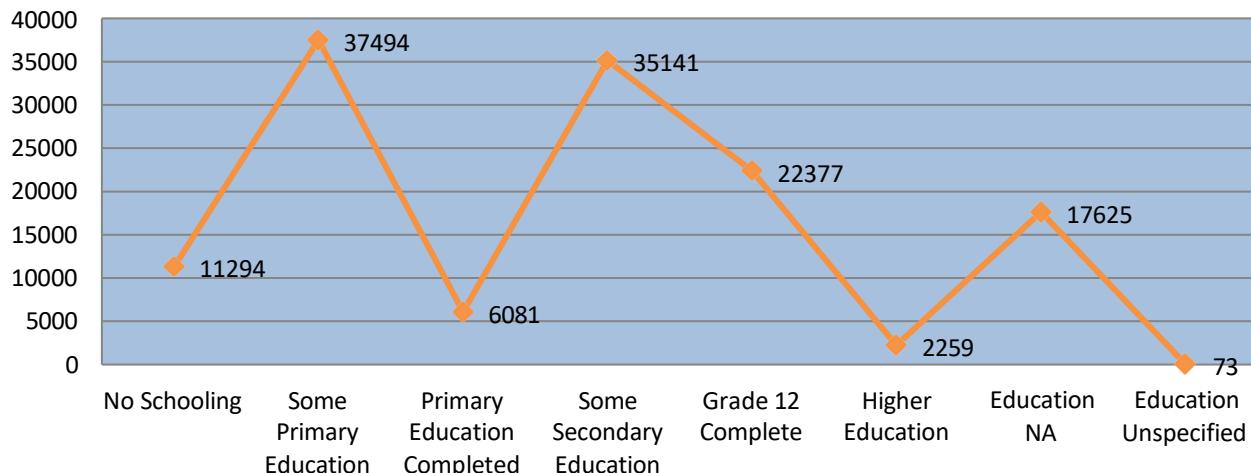
### Population Distribution by Gender



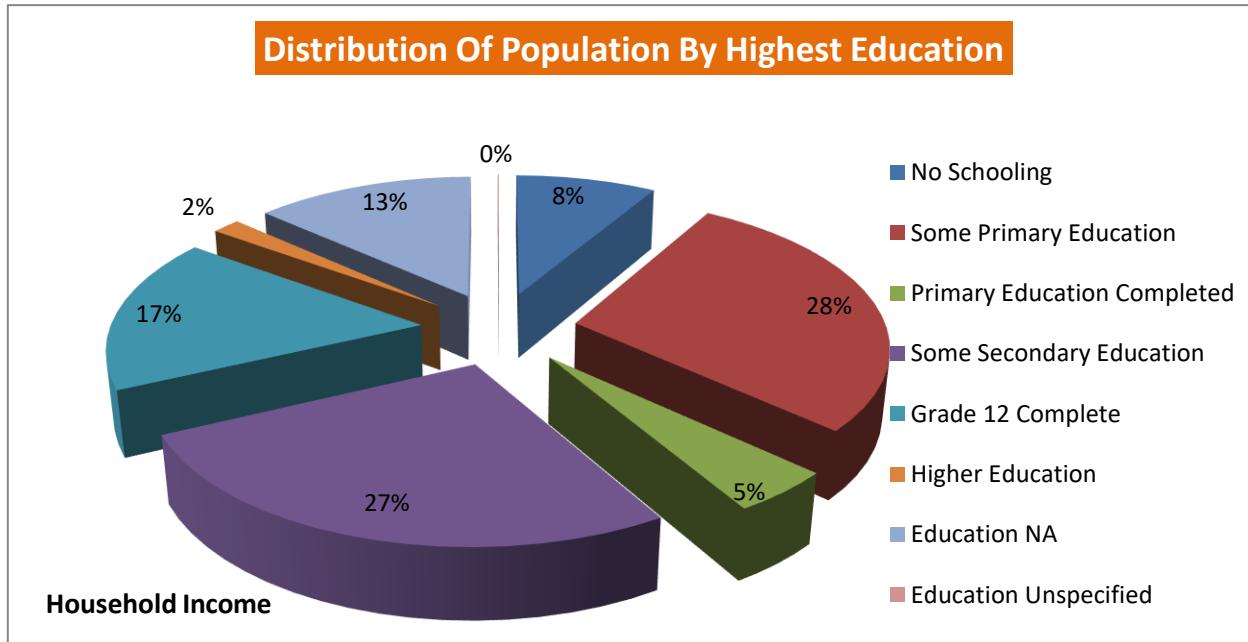


### Education Profile

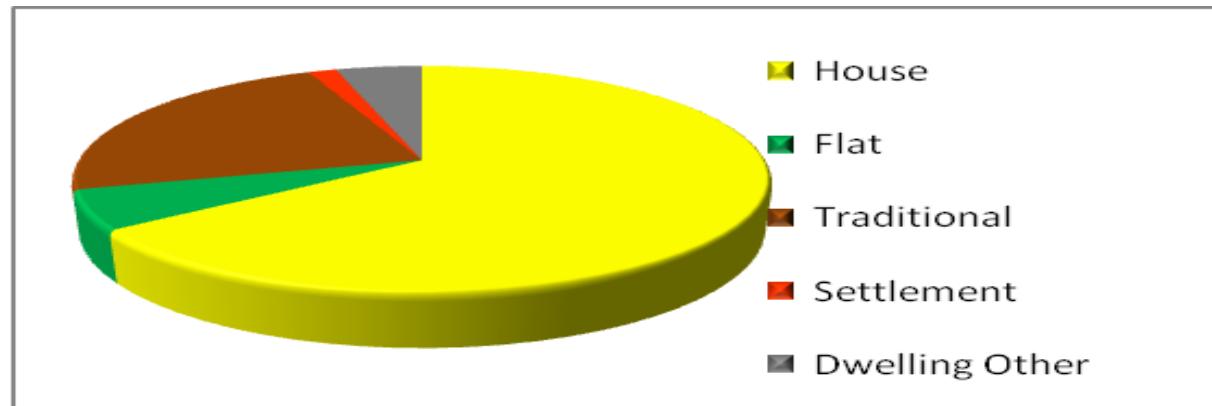
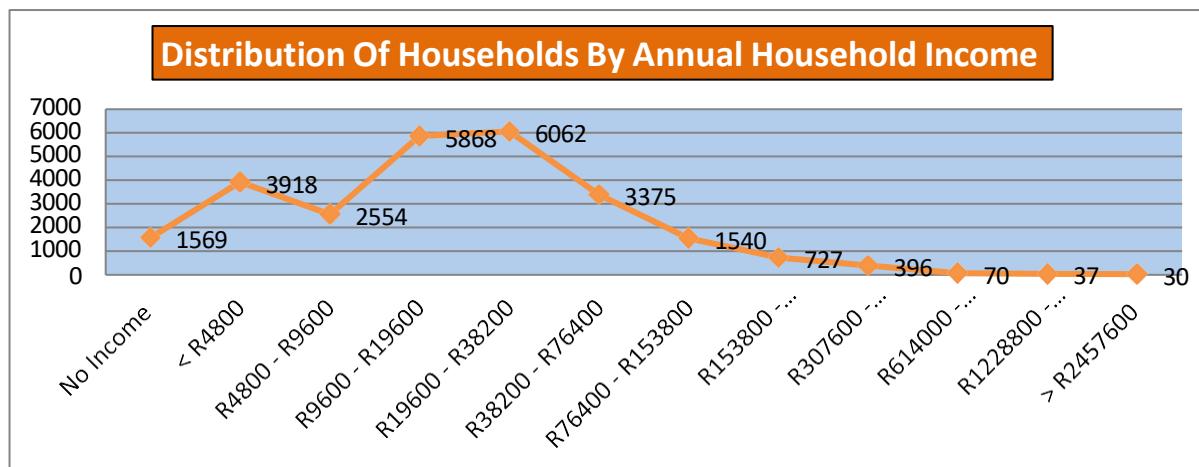
#### Distribution Of Population By Highest Education



## Percentage of population by Highest Education



## Households Profile



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

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

### **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 99.42 % MIG expenditure target for the infrastructure service delivery projects allocated by council for 2022/2023. The following projects were constructed and completed during the 2022/2023 financial year:

Maqabaqabeni Access Road (3.6km)

Fuyeni Creche

Kwandlovu wezinyawo (1.2 km) Phobobo

Access Road (3.6km) Ndlabeyilandula Access Road (3.4 km)

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 (2.8km)

#### 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.

<b>1. FINANCIAL POSITION</b>			
<b>A. Asset Management/Utilisation</b>			
<b>1</b>	Capital Expenditure to Total Expenditure	10% - 20%	20 %
<b>1</b>	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	3 %
<b>1</b>	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	3 %
<b>A. Debtors Management</b>			
<b>1</b>	Collection Rate	95%	97 %
<b>1</b>	Bad Debts Written-off as % of Provision for Bad Debt	100%	0 %
<b>1</b>	Net Debtors Days	16 Days	227 Days
<b>A. Liability Management</b>			
<b>1</b>	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	0 %
<b>1</b>	Debt (Total Borrowings) / Revenue	45%	-4 %
<b>A. Liquidity Management</b>			
<b>1</b>	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	1,1 Months
<b>1</b>	Current Ratio	1.5 - 2.1	1,8
<b>2. FINANCIAL PERFORMANCE</b>			
<b>A. Distribution Losses</b>			
<b>1</b>	Electricity Distribution Losses (Percentage)	7% - 10%	N/A
<b>1</b>	Water Distribution Losses (Percentage)	15% - 30%	N/A
<b>A. Efficiency</b>			
<b>1</b>	Net Operating Surplus Margin	= or > 0%	-18 %
<b>1</b>	Net Surplus /Deficit Electricity	0% -15%	N/A
<b>1</b>	Net Surplus /Deficit Water	= or > 0%	N/A
<b>1</b>	Net Surplus /Deficit Refuse	= or > 0%	100 %
<b>1</b>	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%	N/A
<b>A. Expenditure Management</b>			
<b>1</b>	Creditors Payment Period (Trade Creditors)	30 Days	23 Days
<b>1</b>	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	35 %
<b>1</b>	Remuneration as % of Total Operating Expenditure	25% - 40%	39 %
<b>1</b>	Contracted Services % of Total Operating Expenditure	2% - 5%	27 %
<b>A. Grant Dependency</b>			

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 %
<b>A. Revenue Management</b>			
1	Growth in Number of Active Consumer Accounts	None	0 %
1	Revenue Growth (%)	= CPI	-7 %
1	Revenue Growth (%) - Excluding capital grants	= CPI	-8 %
<b>3. BUDGET IMPLEMENTATION</b>			
<b>A. Budget Implementation Category</b>			
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 %
<b>Operating Ratios</b>			
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

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
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.		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.	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)	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 information includes that of various entities incorporated into the information of the parent entity.	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
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

Activity	Legislation and Guidance	Process Owner Role Player	Timeframe
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/December
Mayor tables audited Annual Report and financial statements to Council		Mayor	November/December
Audited Annual Report is made public, e.g. posted on municipality's website		IT Director Accounting officer	November/December
Oversight committee finalises assessment on Annual Report. This must be concluded within 7 days of receipt of AGs report. Council is expected to conclude on this matter before going on recess in December		Oversight Committee	November/December
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 31<sup>st</sup> of August 2021. The Unaudited 2021/2022 Annual Report was then tabled to Council on the 25<sup>th</sup> of January 2023 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 30<sup>th</sup> of March 2023 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
<b>HIS WORSHIP MAYOR (Cllr X.M. Bhengu)</b>	<b>HIS WORSHIP MAYOR (Cllr X.M. Bhengu)</b>
<b>DEPUTY MAYOR Cllr T.M. Biyela</b>	<b>DEPUTY MAYOR Cllr T.M. Biyela</b>
<b>SPEAKER (Cllr MM MTHIYANE)</b>	<b>EXCO Members Cllr N.S Ngubane</b>
<b>WHIP OF COUNCIL (Cllr C. Makhunga)</b>	<b>Cllr B. T. Ntombela Cllr S.P. Mpanza</b>

### **COUNCILLORS**

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

<b>SENIOR POLITICAL LEADERSHIP</b>			
<b>HIS WORSHIP MAYOR</b> Cllr X.M. BHENGU	<b>DEPUTY MAYOR</b> Cllr T.M. BIYELA	<b>SPEAKER</b> Cllr M.M. MTHIYANE	<b>WHIP OF COUNCIL</b> Cllr C. MAKHUNGA
			
<b>EXECUTIVE COMMITTEE</b>			
Cllr X.M. Bhengu His Worship the Mayor	Cllr T.M. Biyela Deputy Mayor	Cllr B.T. Ntombela EXCO Member	Cllr S.P. Mpanza EXCO Member
			
Cllr N.S. Ngubane EXCO Member			
			

## **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**

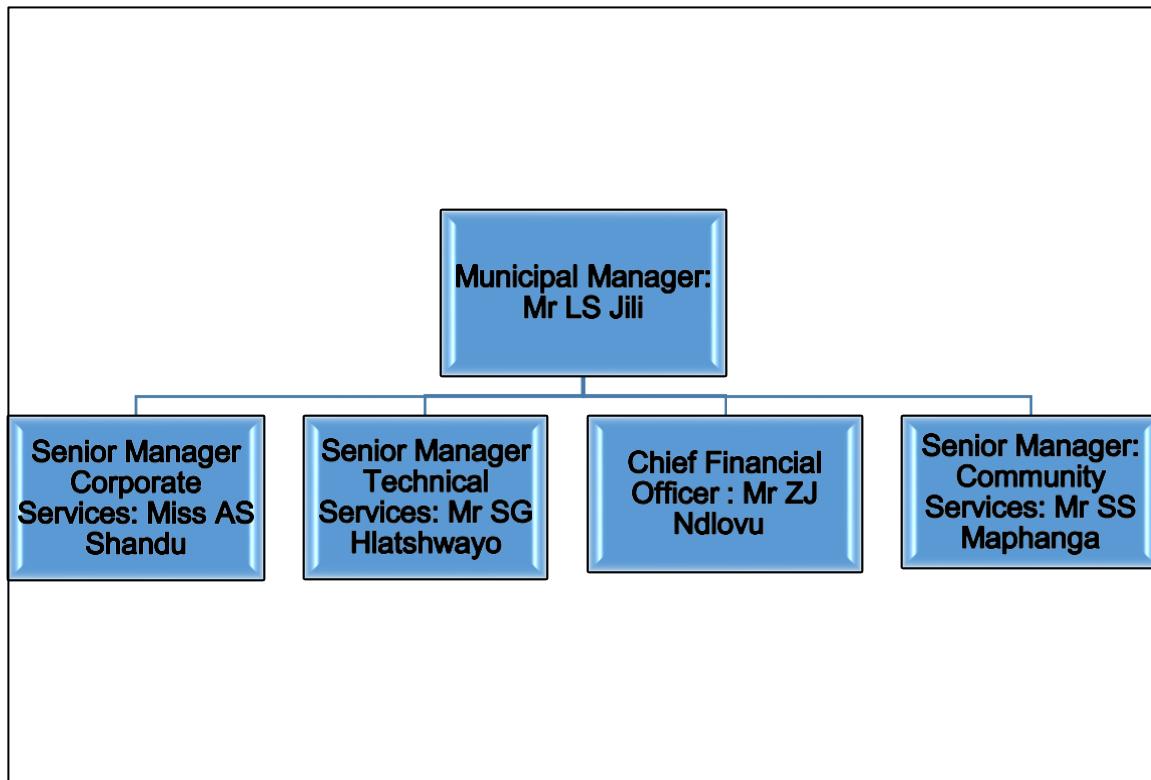
In accordance with municipal legislation, uMfolozi Local Municipality has developed an organizational structure which has been adopted by Council. The managerial structure has been developed in a manner that would enable the Municipality to deliver on its priorities and objectives, as set out in the 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-convener 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 2022/2023 financial year, the municipality had 180 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 Act 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 2023-2024 IDP review and budget at the end of May 2023. 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 CONSULTATION MEETINGS					
NO .	AUDIENCE DESCRIPTION	DATES	WARDS CLUSTERED	VENUE	STATUS QUO
<b>1</b>	KCDM & uMfolozi IDP Road Show	13/05/2022	All Wards	Ezidonini (Ward 18)	<b>Successful</b>
<b>2</b>	Public Participation	21/04/2022	1 & 4	Sokhulu Sports Field	<b>Successful</b>
<b>3</b>	Public Participation	22/04/2022	3 & 5	Nhlanzeni Community Hall	<b>Successful</b>
<b>4</b>	Public Participation	28/04/2022	6, 14 & 16	Mzingazi Sports Ground	<b>Successful</b>
<b>5</b>	Public Participation	04/05/2022	12, 13 & 17	Makhwezini Sports Ground	<b>Successful</b>
<b>6</b>	Public Participation	05/05/2022	11, 15 & 18	Shwashweni Sports Field	<b>Successful</b>
<b>7</b>	Public Participation	09/05/2022	2, 7, 8, 9 & 10	Dondotha SportsField	<b>Successful</b>

**The most community request are basic services and the include the following:**

- **Water provisions**
- **Housing**
- **Electricity**
- **Bus shelters**
- **Access roads**
- **Poverty alleviation programmes/projects**
- **Indigent support**
- **Creches**
- **Community halls**
- **Safety and security infrastructure**

**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
<b>WARD 01</b>	
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 seedling 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
<b>WARD 02</b>	
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.	eZiphoziphizi access road to Kwa-Msane need maintenance
9.	Assessment of Ward committees' reports

10.	Maintenance of sport-field at Ntobozzi, Nozambula, Mandela and Mthwane DV
11.	Fencing support to local farmers
12.	Maintenance of boreholes
13.	Construction of bridge at eMpumelelwani access roads
14.	Maintenance of access road from Empumelelwani to Phoziphozi and Ezidonini VD (Under construction)
	<b>WARD 03</b>
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 Sakhulu Clinic working hours
10.	Establishment of Health and Safety Forum Programme
11.	Maintenance of Koko access road (completed)
12.	Request for Community Hall
	<b>WARD 04</b>
1	Progress report on the Municipal new demarcation boundaries
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
	<b>WARD 05</b>
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 Qediumona 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
	<b>Ward 07</b>
1.	Dondotha Hall needs toilets and chairs
	<b>WARD 10</b>
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 Mundu VD
12.	Construction of a Creche at Mundu VD
13.	Construction of bus shelters at Mqedli VD and Kwelekwele VD
	<b>WARD 11</b>
1.	Construction of bus shelters at Makabishini, Ecinci, New Pathane, emawombe and Mgobaba.
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 inflit issue at Cinci VD
7.	Water supply in all 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
<b>WARD 12</b>	
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
<b>WARD 13</b>	
1.	Maintenance of D875 road for Eshayamoya VD
2.	Maintenance of D875 bridge at Ociwane VD
3.	Construction of Dams at Shayamoya VD, Ociwane 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 Ociwane 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
<b>WARD 14</b>	
1.	Request for information about the reporting procedure for illegal Dumping
2.	Request for information about the incomplete project/programme consequences
<b>WARD 15</b>	
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
<b>WARD 16</b>	
1.	Recruitment and appointment caretakers in Nzaloabantu 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 eZipolombwa VD
6.	Water supply in Ebhiliya VD
7.	Provision of resources at Mnini 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.

TRIBAL AUTHORITIES' CONSULTATION MEETINGS			
NO.	TRIBAL COUNCIL	PROPOSED VISITS	STATUS QUO
1.	Sokhulu Traditional Council	05 April 2022 At 10h00	<b>Successful</b>
2.	Mambuka Traditional Council	12 April 2022 At 10h00	<b>Successful</b>
3.	Mhlana Traditional Council	13 April 2022 At 10h00	<b>Successful</b>
4.	Mbuyazi Traditional Council	19 April 2022 At 10h00	<b>Successful</b>
5.	Somopho Traditional Council	26 April 2022 At 10h00	<b>Successful</b>

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

No	REQUEST/COMMENT/ COMPLAIN/COMPLIMENT
<b>MAMBUKA TRADITIONAL AUTHORITY</b>	
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 infls
<b>SOMOPHO TRADITIONAL AUTHORITY</b>	
1.	Request the hand-over of Bhiliya Sport-field
2.	Maintenance of all Bhiliya access roads
3.	Maintenance of Bhiliya Network service
4.	Request the TLB services
5.	Small farmers request Equipment's and seedlings
6.	Request Indigent Budget
<b>UMHLANA TRADITIONAL AUTHORITY</b>	
1.	Request the start date for uMfolozi 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 (Thondaza) 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.	
<b>MBUYAZI TRADITIONAL AUTHORITY</b>	
1	Request the meeting with iLungelo Iami 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 center (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 Mbwayi tribal authority in the history of KwaMbonambi.
12.	The municipality is commended for the construction of the MPCC
<b>SOKHULU TRADITIONAL AUTHORITY</b>	
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.

## 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	<b>Council Member:</b> Cllr GM Khumalo  <b>Ward Committees:</b> 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	<b>Council Member</b> Cllr AM Mtshali  <b>Ward Committees:</b> 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	<b>Council Member:</b> Cllr ES Mthethwa  <b>Ward Committees:</b> Mbuyazi Bongani; Gumede Ace; Dludla Patience;Dlamini Sicelo Mhlungu Bongive; Mbuyazi Celimpilo Mthiyane Sicelo; Vacant; Mhlongo Joel; ZamaZamokuhle	Yes	6	6	3
4	<b>Council Member:</b> Cllr TZ Mdhletshe  <b>Ward Committees:</b> Sigwaza Zibuyisile; Mtshali Sibongile; Mthembu Nkosinathi; Iekwayo Gugu;MoletsaneTsepo; Hlongwane Xolani B.; Zikhali Khuphukile; Hadebe Nkosinathi;Mkhwanazi Mzwakhile; Ncube Sabelo	Yes	6	6	3
5	<b>Council Member</b> Cllr MN Nxumalo  <b>Ward Committees:</b> 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	<b>Council Member:</b> Cllr C. Makhunga  <b>Ward Committees:</b> 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	<b>Council Member</b> Cllr BT Ntombela  <b>Ward Committees:</b> Sithole Sthembela; Mdletshe Zandile;Ndlela Ntuthuko; Dlamini Nzuzo; Mdletshe Mfanafuthi; Mwanda Jabulani; Miya Nokwazi; Mndaba Sicelo;Mdletshe Mapendane; SinqilaMbuyiseni	Yes	6	6	3
8	<b>Council Member</b> Cllr TM Biyela (Hon. Deputy Mayor)  <b>Ward Committees:</b> 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	<b>Council Member</b> Cllr SG Mthethwa  <b>Ward Committees:</b>	Yes	6	6	3

	Ndlovu Zodumo; Mdletshe Sinenhlahla; Sikhakhan eLungisani ;Mdletshe Azine B'; ene Phumlani; MthethwaKhayelihle; Mtshali David; Nsimbi Muziwoxolo; Mkhize Sizwe ;Mthethwa M				
10	<b>Council Member:</b> Cllr SZ Mtetwa  <b>Ward Committees:</b> Mthethwa Hlobile; Ngubane Bongumusa ; Zuma Vukani; Mbambo Bongiwe; Nene Thobile Witness; Mpanza Thuthukani; Gumede Sibonokuhle Shabalala; Sinenhlahla; Khanyle Alsaphina; thethwa AN	Yes	6	6	3
11	<b>Council Member</b> Cllr PM Gumbi  <b>Ward Committees:</b> Mpanza Sandile; Mthethwa Mpilenhle; Sithole Zanele; Mbokazi Sabelo; Sithole Siphamandla; Sibya Mboniseni; Mgenge Lindani; Manqe Khayo; Ndabandaba Philani	Yes	6	6	3
12	<b>Council Member</b> His Worship The Mayor Cllr XM Bhengu  <b>Ward Committees:</b> Mlotshwa Gladys; Biyela Tholakele Dladla Nkosinathi; Mchunu Sengiwakhile; Nxumal oNtokozo; Mthethwa Mlungisi; Mthethwa Thulile; Nzimande Nomvuselelo ;Shelembi Nicholas Mvungamseni Mthethwa Mboniseni Thembinkosi	Yes	6	6	3
13	<b>Council Member</b> Cllr T Ndimande  <b>Ward Committees:</b> Mathe Khanyisile; Vacant; Mngwengwe Philisiwe; Mchunu Khipheni; Nqulunga Shokwakhe; Mdletshe Sibusiso; Mvelase; hilani; Dlamini Gijimani; Dlamini Gugu; Mdletshe M	Yes	6	6	3
14	<b>Council Member</b> Cllr NS Ngubane  <b>Ward Committees:</b> Mkhwanazi Joice; Mbuyazi Bheki; Shezi Zodwa ;Ngema Thandeka ; Ngema Khaya; Buthelezi Tholinhlanhla; Sithole Thabiso; Dladla Mandla; Cele Dumisani; Ngema Mcosheni	Yes	6	6	3
15	<b>Council Member</b> Cllr N Conco  <b>Ward Committees:</b> Vilakazi Xolani; Msimango Ntonto; Mtshali Spesihle; Mkhwanazi Sinothi; Nkosi Lucas; Mnqayi Musawenkosi; Zwane Mothule; Ngobese Sibongiseni; Ngubane Alfred; tshangase Prosper	Yes	6	6	3
16	<b>Council Member</b> Cllr PB Sithole  <b>Ward Committees:</b> 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	<b>Council Member</b> Cllr SE Sibya  <b>Ward Committees:</b> Buthelezi Sipho, Mvelase Nonhlanhla; Shezi Nonhlanhla; Sibis I Sifiso; Mkhwanazi Hlakaniphile; Magubane Lindiwe; Mnguni Nonjabulo; Mdlolo Celive; Mngwengwe Mzokhona; gemaSibongile	Yes	6	6	3
18	<b>Council Member</b> Cllr ME Shobede  <b>Ward Committees:</b> Myeni Ernest; Msane Siphiwe; Khumalo Mandla; Linda Sizwe	Yes	6	6	3

	Gina Mdudu; Mntambo Sibusiso; Mthethwa Zama; Mnyango Qaphelani; Mthethwa Hlengiwe; Mngomezulu Khulekani				
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## 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
<i>* Section 26 Municipal Systems Act 2000</i>	

## 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 rot 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 2022/23					
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 2022/2023 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](http://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%
<b>Total</b>	<b>25583</b>	<b>100%</b>

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

## **Waste Water (Sanitation) Provision**

### **INTRODUCTION TO SANITATION PROVISION**

The Municipality does not provide water and sanitation services however all backlog 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.

### **3.2. 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 2022/2023 financial year.

#### **ELECTRICITY SERVICES PERFORMANCE OVERALL:**

The municipality did not have INEP funding in 2022/2023 financial year

### **3.3. Waste Water (Storm water Drainage)**

#### **INTRODUCTION TO STORMWATER DRAINAGE**

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

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

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

### 3.4. Waste Management

Overall background of the environmental/ waste management business unit

SUBJECT MATTER	DISCUSSION
Supervision	<p>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.</p> <p>The business unit has 3 Driver Operators and 10 general worker that has been requested to assist as a driver/operator due to shortage of staff.</p> <p>The unit has 13 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.</p> <p>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.</p> <p>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.</p>
Grass cutting	Grass cutting takes place every Monday to Friday using one ride-on mower and 6 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 (9m<sup>3</sup> 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.

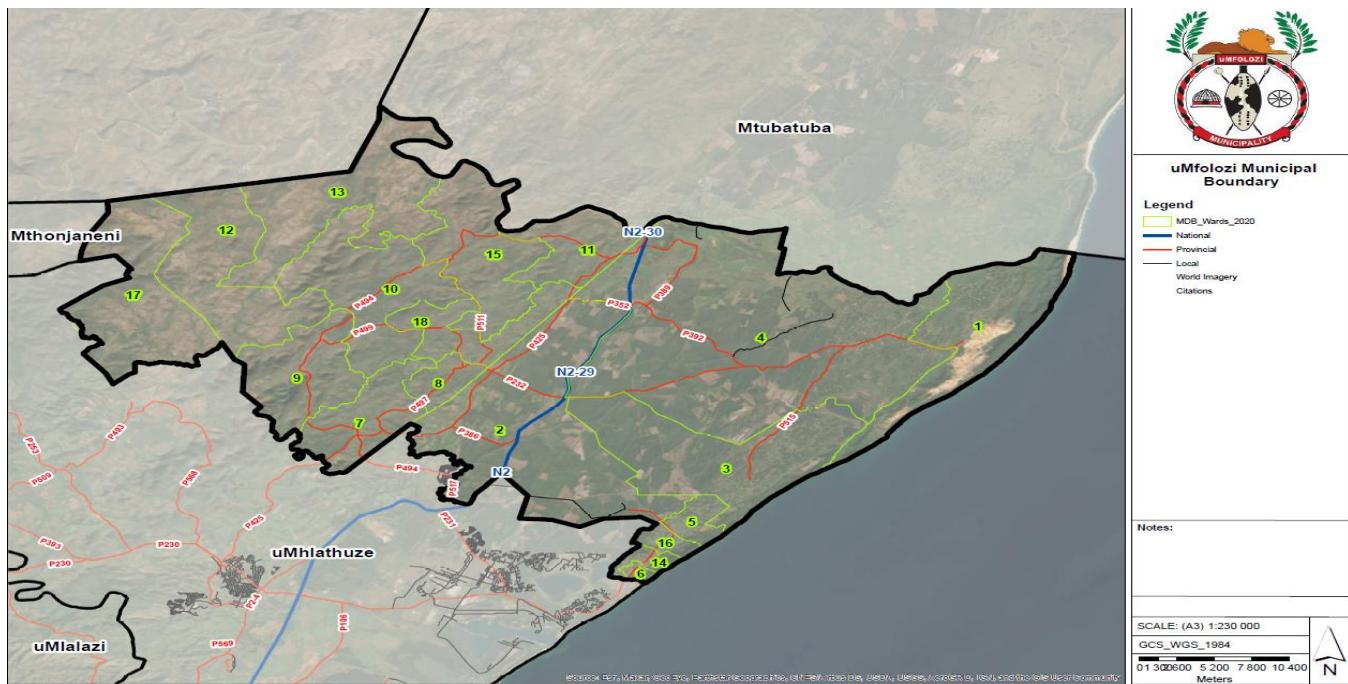
Moreover, the waste management/environment business unit is also liable for Parks and Beatification of the town. This function ensures that grass in parks, greenbelts, verges and roadsides is cut; trees are neatly pruned, and weeds are cleared.

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 (9m<sup>3</sup> skips) which are collected when they are full (weekly).

## Number of households receiving refuse collection

Item	Total number
<b>Households</b>	22090
<b>Serviced households</b>	6481
<b>Un-serviced households</b>	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.



#### COMPACTOR TRUCK- NRB 91185

Monday	KwaMbonambi Town
Tuesday	Mzingazi
Wednesday	Slovo Township, Mposa and Amangwe Village
Thursday	Mzingazi
Friday	Mzingazi

#### 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).

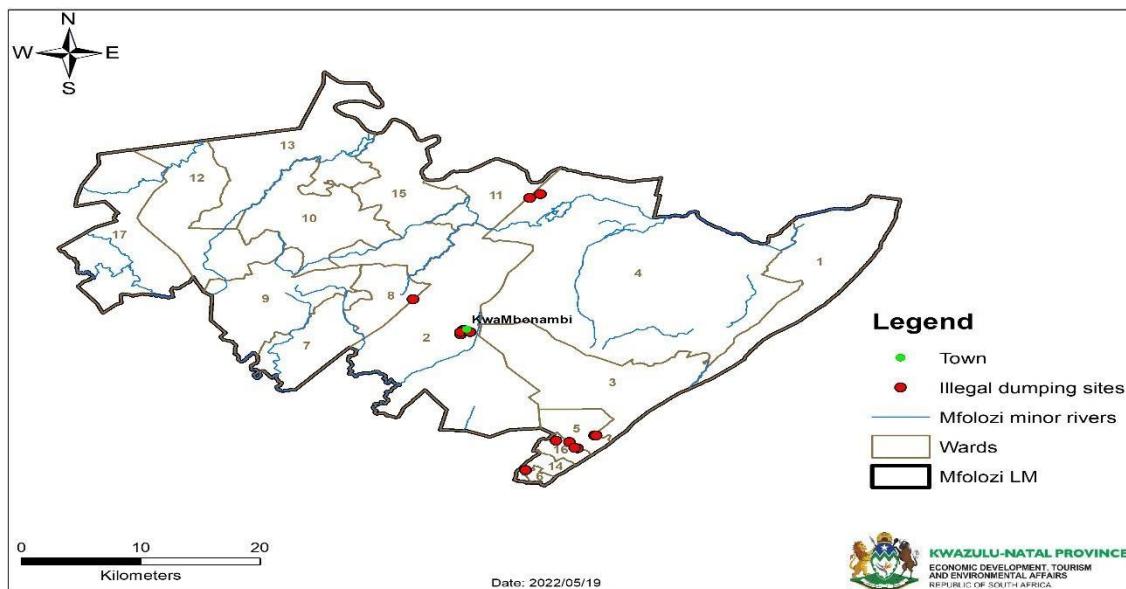
All waste disposal is reported under SAWIS- registration D00169-01.

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 5 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 2022/2023 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.



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 save 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 2023. 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 2022/2023.

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

### 3.5. Housing

#### INTRODUCTION TO HOUSING

The Municipality had only 1 housing project due to non-availability of funds. The Department of Human Settlements 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 %
<b>Total All</b>	<b>R40 296 558.00</b>	<b>R0</b>	<b>R40 296 558.00</b>	<b>0%</b>	
<b>Dondotha Housing Project</b>	<b>R40 296 558.00</b>	<b>R0</b>	<b>R40 296 558.00</b>	<b>0%</b>	

### **3.6. 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.

### **3.7. 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.

### 3.8. 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.

<b>Gravel Road Infrastructure</b>					
	Total gravel roads	gravel	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
<b>2019/20</b>	500.65km		7.4km	Nil	225km
<b>2020/21</b>	504.5km		3.4km	Nil	501.5km
<b>2021/22</b>	625km		13.8km	Nil	280km

<b>Tarred Road Infrastructure</b>					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
<b>2019/20</b>	16.5km	Nil	1km	Nil	Nil
<b>2020/21</b>	16.5km	Nil	Nil	Nil	Nil
<b>2021/22</b>	16.5km	Nil	Nil	Nil	Nil

#### 2021/2022 PROJECTS

Rose Mthethwa Access Road (1.4 km) Thunuka

Ndabazabantu Access Road (2.5km) Sbululwane

Access Road (2.8km)

Zilahle Access Road (3 km)

#### 2022/2023 PROJECTS

The following projects were constructed and completed during the 2022/2023 financial year:

Ntongonya Access Road (2.8km)

Mpumelelweni 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 Acces Road (2.4km)

## **Component C: Planning AND Development**

### **3.9. 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.

### **3.10. 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. uMfolozi Municipality has an existing LED Strategy that was reviewed and adopted by Council during the 2022/23 financial year. The strategy is currently under implementation and serves as a mechanism of intervention in strategically

integrated manner, based on detailed research of the local economic situation, building upon the strengths and opportunities of the locality, and identifying areas requiring additional support.

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.

The municipality has 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. The strategy 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 cognizance 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 was 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).
- ❖ 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 constructed agricultural sector plan will serve as the guiding document on agricultural development and will be 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 4 Agricultural projects by providing the agricultural material during quarter 3 & 4 and has made an assessment to procure another agricultural material (seedling, garden tools, fencing material & watering cans). The agricultural material was successfully procured in April and May 2023.

## **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:

Training on Vula Fund and other funding applications was coordinated by the Department of Economic Development, Tourism and Environmental Affairs for all wards.

#### AGRICULTURAL PROGRAMMES/ PROJECTS ASSISTED

The Municipality during its IDP Roadshows in ward 9,3 and 4 handed-over the following seedlings: - 5000 Crops X

Cabbage

5000 Crops X Onions 5000

Crops X Spinach

#### **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 want to start operations in the municipality.

#### QUARTER FOUR (April -June ) MAYORAL PROJECTS BENEFICIARIES:

##### 1. Qhakaza Sewing Station - Ward 01

###### Equipment's benefitted:

- ❖ Industrial Sewing Machine
- ❖ Red and White Scottish fabric for Langalbovu High School uniform.
- ❖ Marinate navy fabric for kwaSokhulu primary uniform
- ❖ Twirl blue fabric for school shirts
- ❖ White fabric for Langelibovu shirts
- ❖ My bluish white fabric
- ❖ Navy cotton
- ❖ White cotton
- ❖ Black cotton
- ❖ Pair of scissors

##### 2. Sisonke Trading Company – Ward 03

###### Equipment's benefitted:

- ❖ Brush Cutters (FS280) with blade and Nylon head
- ❖ Eye spec
- ❖ Leg guards
- ❖ Nylon line bundle (Pre-Cut)
- ❖ Helmet complete husky each
- ❖ Plastic rake

##### 3. Izipheyane Project -Ward 04

###### Equipment's benefitted:

- ❖ treated poles
- ❖ fencing wire net

#### 4. Mqomboyinathi Project - Ward 7

Equipment's benefitted:

- ❖ Chicks

Poultry Feed:

- ❖ Stater
- ❖ Grower
- ❖ Finisher

Feeding Troughs and Drinker for 650 birds.

- ❖ Feeders
- ❖ Tube feeder
- ❖ Bulk feeder
- ❖ Heater lights

#### 5. Gcoba Woman Poultry Project Ward 08

Equipment's benefitted:

Poultry Feed:

- ❖ Stater
- ❖ Grower
- ❖ Finisher

Feeding Troughs and Drinker for 500 birds.

Medication for 500 birds from day one to six weeks. (Electrovite, consulate & ESB). Electric

Brooders with lights for 500 birds.

Chicks

Saw dust for 25m (3 times change)

## **Component D: Community and Social Services**

### **3.11. Libraries and Community Facilities**

#### **INTRODUCTION AND BACKGROUND OF THE ACTIVITIES, OPERATION, (PROGRAMMES) CONDUCTED IN 2022/2023 FINANCIAL YEAR.**

In the last few years, the rapid development in information technology have revolutionized the way in which information is collected, displayed, and accessed. The Public Library is facing the challenge of radical changes in all aspects of its organization and service delivery. This challenge should be embraced as it gives the opportunity to provide information services for study, research, and self-development further and with relatively minimal cost to the most remote areas of Umfolozi municipality.

There has been a long felt need for libraries in the jurisdiction of Umfolozi, now the department of Sports, Arts and Culture in partnership with uMfolozi local municipality built two (2) Public Libraries for Mzingazi library in coastal in ward 06 and KwaMbonambi (Central/main library) in ward 02 in land as community libraries, one (1) Modular Library (KweSakwaMthethwa) in ward 08, and the upcoming project of the public library of the people of oyengweni in Ntambanana ward 17.

The report outlines all the functions, activities and programmes of the public libraries and outline clearly all the steps that were followed such as collection development, provision at reference and information services, circulation of material, information and communication technology with the emphasis on internet access, presenting of readership and life skills programmes, and marketing of services to the community these libraries serve.

#### **VISION**

To provide in co-operation with the relevant governing bodies on local and provincial level, a dynamic library and information service that meets the educational, informational, cultural, economic, technological, and recreational needs of the community at large. Each person must have free access to resources and facilities for information, life-long learning, culture and recreation. The service should be democratically developed and managed in co-operation and consultation with its users so that the collections and services are relevant to the needs and diversity of the users.

#### **MISSION**

To render a dynamic library and information service to the community of uMfolozi municipality to improve their quality of life.

#### **1.2 DIRECT AND GUIDE ALL ACTIVITIES, BEHAVIOUR AND PERFORMANCE**

The Library Management must direct and guide all activities, behavior, and performance in accordance with the vision, mission and principles of the library together with the Municipality's vision, mission and priorities. It is the responsibility of the Library Management to see to it that the library's vision, mission, and principle are re-examined on an ongoing basis with the involvement of the staff to ascertain that adjustments are made in accordance with new developments regarding the provision of library and information services.

#### **1.3 GUIDING PRINCIPLES FOR PUBLIC LIBRARY AND INFORMATION**

The following guiding principles apply to the provision of public library services in South Africa:

- Libraries services must promote a culture of reading with the object of building a nation of life-long learning.
- Libraries services must be provided based on equal access for all and without unfair discrimination as contemplated in section 9 of the Constitution.
- Libraries special measures must be taken to ensure equitable access to services, including measures to ensure access by people with disabilities and other categories of persons previously disadvantaged by unfair discrimination.
- Services must be provided in a manner that is accessible by the public and that complies with the principles of public administration contemplated in section 195(1) of the Constitution.

- Services must be provided in a manner that facilitates, promotes, and develops the information literacy and electronic communication and technology skills of library users, particularly people with disabilities and young children.
- Services must promote and advance South African publishing and writing.

#### **1.4 DEFINATION OF THE PUBLIC LIBRARY**

A public library is a library set up by government authorities, at local, provincial, or national level, to serve a geographic area or community. The Public Library Manifesto (1995) states that in principle the public library shall be free of charge. It also suggests that public library services must be adapted to the different needs of rural and urban areas and that the public library network must be designed in relation to other kinds of libraries, including those in schools, colleges and universities.

The International Federation of Library Associations and Institutions (IFLA) define a public library as follows: "A public library is an organization established, supported and funded by the community, either through local, regional or national government or through some other form of community organization. It provides access to knowledge, information and works of the imagination through a range of resources and services and is equally available to all members of the community regardless of race, nationality, age, gender, religion, language, disability, economic and employment status and educational attainment."

#### **1.5 PRIMAY PURPOSE OF THE LIBARY**

The primary purpose of a public library is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

#### **1.6 LIBRARY LEGISLATION/MANDATE**

The uMfolozi municipal libraries draws legislative mandates from the following legislative frameworks:

- Copyright Act (No. 98 of 1978)
- National Council for Library and Information Services Act (No. 6 of 2001)
- National Library of South Africa Act (No. 92 of 1998)
- Promotion of Access to Information Act (No. 2 of 2000)
- South African Community Library and Information Services Bill (2010)
- South African Library for the Blind Act (No. 91 of 1998)
- South African Public Library and Information Services Bill

#### **UMFOLOZI MUNICIPAL LIBRARIES INSTITUTIONAL CAPACITY**

Table 1. below displays the organisational structure for the Units: Library Services during the financial year 2022/2023.

Personnel	Number	Vacant
<b>LIBRARY MANAGEMENT</b>		
Manager: Disaster, Fire rescue and Library services	1	
Senior Librarian	0	1
Librarians	3	
Library assistants	6	
Cyber cadet	2	1
Library Intern	0	1
General worker	1	
<b>Total</b>	<b>13</b>	<b>3</b>

## **1. OPERATIONAL ACTIVITIES DURING 2022/2023 FINANCIAL YEAR**

### **2.1 MEMBERSHIP CARD.**

253 memberships were accepted during the past financial year and registered library member gets were issued with the library borrowers' card that enable the user to take out library material on loan, and it's renewed after 2 years.

Books were normally loaned to a member for a period of fourteen days, calculated from the day the loan is made. If the library will be closed on the due date, the issue stamp was adjusted to the next open day.

### **2.2 POPULAR BOOKS AND BOOKS IN HIGH DEMAND**

Books that were being used for a school project by many children and textbooks were restricted to 1 week loan with no renewals or be placed on "reserve" for any period of time and not be allowed on issue at all.

### **2.3 MAGAZINES**

The latest (current) issue of a magazines were available and were not be allowed out on loan and other issues can be loaned for a 2 week period. The closure of many post offices disrupted the flow of magazines as the result many magazines were not received and some delayed. Last two issues of weekly and bi-monthly magazines should not be lent to users and Members were allowed to renew the loan period when no one else has requested the magazines

2.3.1 Table 1 below shows the magazines that were issued to Libraries.

KWAMBONAMBI LIBRARY		NO OF ISSUES PER YEAR	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
TITLES	FREQUENCY													
Cake Craft & Decorating	MONTHLY	12			x									
Car SA	MONTHLY	12						x	x					
Cosmopolitan	MONTHLY	12					x	x						
Destiny	QUARTERLY	3								x				
Elle	MONTHLY	10						x	x					
Fairlady	BI-MONTHLY	6			x									
Getaway	MONTHLY	12					x							
Go	BI-MONTHLY	6				x	x	x	x					
Good Housekeeping (UK)	MONTHLY	12				x	x							
GQ	MONTHLY	11												
Grazia	FORTNIGHTLY	26												
		Week 1			x		x		x					
		Week 2			x			x	x					
Home	BI-MONTHLY	8				x	x	x						
Home Owner SA	MONTHLY	12												
House & Gardens	MONTHLY	12				x	x		x	x				
Huisgenoot	WEEKLY	52												
		Week 1	x	x		x		x	x	x				
		Week 2	x			x								
		Week 3			x									
		Week 4		x						x				
Ideal Home	MONTHLY	12							x					
Kick Off	MONTHLY	12	x	x										
Marie Claire	MONTHLY	12												
Man Magnum	BI-MONTHLY	8				x	x	x	x					
Men's Health	MONTHLY	12							x					
People	WEEKLY	51												
		Week 1				x	x	x						
		Week 2				x	x							
		Week 3		x			x							
		Week 4		x			x							
SA Garden & Home	MONTHLY	12												
True Love	BI-MONTHLY	6		x	x									
Women's Health	MONTHLY	12								x				
You	WEEKLY	52												
		Week 1	x	x	x		x	x						
		Week 2				x	x	x						
		Week 3	x	x			x		x					
		Week 4			x	x								

## 2. HOW LIBRARIES DEALT WITH DEFAULTERS FOR OVERDUE ITEMS

- Library sent a reminder, 14 days after the due date to the defaulter.
- If the items were not returned within 10 days of this reminder a second reminder was sent with "SECOND REMINDER" written clearly on the top.
- If after a further 10 days the items have still not been returned by the defaulter a FINAL WARNING, was sent.
- If that final warning failed, library officials then tried telephoning the defaulter and any of the references given.
- If the defaulter was a school child, library practitioners tried asking for assistance from the school teachers, a list of children with outstanding books were given to the school for their help in recovering the items.

- If all efforts to recover library material from the defaulter failed, the library send the defaulter's list to the department of sport, arts and culture library services, to handle the matter
- There were 30 patrons that were declared as defaulters in 22/23 financial year.

### **3. LIBRARY HOURS**

Service hours were clearly displayed at the entrance to the library. 08h00-17h00 weekdays and closed for weekends until further notice. If the library has to be closed for any reason / a notice to this effect was prominently displayed at least 2 weeks before the closure. Staff comes in @ 8h00am then the doors for the public opens @ 9h00am, then library closes @ 4.30pm to the public and 5:00 to the officials.

### **4. LIBRARIANS INTEREST GROUP FORUMS**

- The library practitioners attended the interest group forums meeting on a quarterly basis to various district municipality.
- The purpose of these meetings was for staff to share ideas, discuss problems and be informed on various developments within the department.
- Invitations were sent to libraries by the department and it is very important for the staff to attend these meetings.
- The Local Municipality provided transport to this effect.

### **5. LIASA (LIBRARY AND INFORMATION ASSOCIATION OF SA) ANNUAL CONFERENCE**

- Library officials did not attend the liasa conference of which is a compliance to the department who are funding the libraries, they were denied by SM: Community services for no reasons
- Invitations were sent to affiliate Librarians and the municipality, the conference is held for a week in different provinces.
- Invitations are sent to individuals via liasaonline for those that are Liasa members.

### **6. DAILY COMPUTER/ INTERNET USAGE**

All libraries provide computer usage to the community they serve

- Community members used computers for free at any time of the library hours.
- They needed to submit library card, ID, Student card and fill in the register.
- They were given 45 minutes per day per patron.

### **7. PRINTING COSTS**

- Color printing costs R 2.00 per page
- Black and white costs R1.00 per page
- All the monies collected were sent to Revenue section.

### **9. INTERNET USE GUIDELINES**

- Users may use the Internet for research and the acquisition of information to address their educational, vocational, cultural or recreational needs.
- Users may use the Internet for the receipt and transmission of electronic mail (e-mail) as long as they use a free e-mail service that establishes and maintains an account for them; the library is unable to manage e-mail accounts for any organizations or individuals.
- Internet use is offered 45 minute sessions on a first come, first served basis; each user is allowed one session per day.
- Users will respect and uphold copyright laws and all other applicable laws and regulations; they will not use the Internet service for illegal purposes.
- Users will respect the rights and privacy of others by not accessing private files.
- Users shall not create and /or distribute computer viruses over the Internet.
- Users shall not deliberately or willfully cause damage to computer equipment, programmes, or parameters.
- Internet computers are assets belonging to the Municipality

#### **8. STUDY FACILITIES:**

Study areas which members of the public can use for study purposes in groups or individually were available to the library. 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 threat of covid-19 but as the restrictions were lifted, the policies later changed.

#### **9. 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.

#### **10. PROGRAMMES AND COMMUNITY OUTREACH CONDUCTED**

A number of awareness campaigns were conducted in different parts of the municipality covering many municipality wards. The main objective of these campaigns was to market library services and to increase membership statistics.

<b>No</b>	<b>DATES</b>	<b>VENUE/ AREA</b>	<b>MUNICIPALITY</b>
1.	TBC	Isiphephelo High School	uMfolozi Municipality
2.		Mfaniso High School	
3.		Mbusowabathethwa High School	
4.		Mbonambi Primary School	
5.	TBC	Homeleigh primary school	
6.		Nhlanzini Primary School	
7.		Saligna primary School	
8.	TBC	Dondotha high School	
9.		Ogome Combined School	
10.		Mzingazi Primary School	
11		Malanga Primary school	

The table above highlights some of the areas that were visited during awareness campaigns:

#### 11.1 LIBRARY WEEK

**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.

#### 11.2 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.

#### 11.3 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: revitilising libraries! from 15 - 19 March 2022.

#### 11.4 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"

### **11.5 LITERACY DAY.**

Report back to Community Services Portfolio on Literacy Day Celebration Report held on the 29<sup>th</sup> of September 2022 at Mzingazi Primary School in Ward 6 Reserve.

The Mzingazi Public Library is the local centre of information, making all kinds of knowledge and information freely available to its users.

The services of the Mzingazi public library is to provide on the basis of equality of access for all, regardless of age, race, sex, religion, nationality, language or social status. Specific services and materials provide those who cannot, for whatever reason, use the regular services and materials, for example linguistic minorities, people with disabilities.

All age groups must find material relevant to their needs. Collections and services have to include all types of appropriate media and modern technologies as well as traditional materials. High quality and relevance to local needs and conditions are fundamental. Material reflects current trends and the evolution of society, as well as the memory of human endeavour and imagination.

Collections and services are not subject to any form of ideological, political or religious censorship, .Mzingazi public library ensures to encourage a culture of reading and improve the quality of life of all people of uMfolozi Local Municipality

### **10.6 BACKGROUND**

Submitted back to Community Services Portfolio on Literacy Day Celebration Report held on the 29<sup>th</sup> of September 2022 at Mzingazi Primary School in Ward 6 Reserve and Mzingazi library staff will continue to serve uMfolozi community in order to create a better future and life for all library users.

Mzingazi Public Library and information services principles:

The following principles apply to Mzingazi Public Library and Information Services:

- (a) Services encourage a culture of reading to create a nation of readers;
- (b) Services provided on the basis of equal access for everyone;
- (c) special measures taken to ensure equitable access to services, including measures to facilitate, promote and ensure access by people with disabilities and other categories of persons disadvantaged by unfair discrimination;
- (d) Services provided in a manner that is user friendly, accessible to the public.

### **10.7 THEME OF LITERACY DAY 2022**

*This year's International Literacy Day will be celebrated worldwide under the theme, "Transforming Literacy Learning Spaces" and will be an opportunity to rethink the fundamental importance of literacy learning spaces to build resilience and ensure quality, equitable, and inclusive education for all.*

### **10.8 LITERACY DAY AWARENESS**

Literacy Day is an international observance, celebrated each year in month of September that was declared by UNESCO on 26 October 1966 at the 14<sup>th</sup> session of UNESCO's General Conference. Literacy day motivate students need literacy in order to engage with the written word in everyday life, being able to read and write means being able to keep up with current events, communicate effectively, and understand the issues that are shaping our world.

Nowadays, reading encompasses complex visual and digital media as well as printed material. An elderly person who can read the newspaper might struggle to get information from the book and Google. Literacy improves economic, psychological, social, and

physical well-being, Empowering people to teach themselves to read changes lives.

#### **10.9 LITERACY DAY AWARENESS INTRODUCTION**

Literacy Day awareness celebrations have taken place annually around the world to remind the public of the importance of literacy as a matter of dignity and human rights, Literacy is most commonly defined as the ability to read and write and to advance the literacy agenda towards a more literate and sustainable society. Despite progress made, literacy challenges persist with young people and adults lacking basic literacy skills today.

#### **10.10 AIM OF THE LITERACY DAY**

- Encourage reading because reading is the first pillar of literacy, encourage young learners to immerse themselves in it frequently and deeply. This will involve exposure to a broad variety of different genres, such as newspapers, novels, comics, magazines, reference material, and websites.
- Make use of the library immersing children in a huge range of texts encourages them to dive in and explore. There's no better place to do this than the school or community library.
- Discuss texts together and actively discussing what has been read encourages learners to make connections and think deeply about the ideas contained in texts.

#### **10.11 WHY LITERACY DAY AWARENESS IS IMPORTANCE**

- Students need literacy in order to engage with the written word in everyday life.
- People should think of how often they use their own reading skills in everyday life. It's not just articles or books like one that require literacy, but signs, labels, and the messages on your phone, too.
- The same goes for writing. Nowadays, even phone calls have given way to instant messaging and text-based communication, making the ability to read all the more important.
- But beyond the functional level, literacy plays a vital role in transforming students into socially engaged citizens. Being able to read and write means being able to keep up with current events, communicate effectively, and understand the issues that are shaping our world.

International Literacy Day serves to recognize the importance of literacy and acknowledge the need to create a globally literate community. Literacy refers to a person's ability to read or write, an ability that connects and empowers people, allowing them to communicate and interact with the world, and one that the peoples considers to be a basic human right. Today, approximately 16% of the world's population is unable to read or write at a basic level in their native languages. Illiteracy in nearly all parts of the world has been linked to socio-economic issues like poverty and demographic.

#### **10.12 MZINGAZI PRIMARY LITERACY DAY CELEBRATION AWARENESS**

On the 29<sup>th</sup> of September 2022, Miss N.B Mpanza (Mzingazi Librarian) and Miss V.P Cele (Library Assistant) in partnership with Miss Z.N Mkhwanazi (Director: Library Services) from Department of Sports and Arts and Culture attended and visit Mzingazi Primary School in order to promote Literacy day celebration Awareness which was held at Ward 6 in Mzingazi Area.



#### Pictures taken during the literacy day

During Library Awareness Campaign, Miss V.P Cele (Library Assistant) alerted Mzingazi Primary learners that libraries are considered as treasures of knowledge and storehouse of knowledge and emphasized that libraries are full of reading material which consist books, journals, films, images, manuscripts, Audio visual materials etc. Miss Cele highlighted that it is very significance for learners to use the library in order to access information and they must normalize themselves to visit the library and able to identify the book using library collection which is separated, library collection such as Adult, Young Adult, Juvenile, children section and Computer section and the learners must know how to usage of the collection library. Miss V.P Cele also encouraged children to continue to use library so they can able to develop their reading skills.

#### **10.13 TO BECOME A LIBRARY MEMBER**



*Miss NB Mpanza (Librarian) Motivate Learners to join the Library*

Throughout the on Literacy Day Celebration Miss NB Mpanza (Mzingazi Librarian) outlined to Mzingazi Primary learners that, it is very important for every child or an adult to have a library membership card. Miss N.B Mpanza listed the documents that are needed in order to become a library member as follows:

- Valid identity ID document and completed form to apply for a library card
- Proof of residence
- Children will need to bring their birth certificates
- two references
- Library first card is Free of charge but if patrons lose card, though, patron will have to pay R15.
- And new members register for one year, after which membership has to be renewed on an annual basis.

Miss Mpanza stated that, once the Library card approved, the patron should visit the library in order to borrow the books and use Computer section, but before the patron received the Library card he or/ she must sign an agreement form for library rules and specify that Library materials borrowed must be returned on or before the due date. Lost cards should be reported immediately to the library.





Overdue books: The Librarian notifies the learners that Books must be returned by the due date or earlier if recalled by the Librarian. Failure to return a book by the date specified will be treated as a serious offence. The Librarian will endeavour to send overdue notices but will not be held responsible and damaged books will be charged as a lost book or the re-binding costs, but number of learners promised to visit the library in order to find the information that they seek for their Research project, homework etc. The aim of Library Awareness Campaign was to motivate the learners to take positive action by visiting the library in order to develop their skills and motivate them to learn to feel hungry for knowledge all the times.

#### **REMARKS**

Literacy Day Celebration programme went successful, and it was very informative, motivational and educational and lot of attendees gain a lot of information and knowledge.

#### **11. 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.

##### **12.1 STORYTELLING HELD AT SEKUSILEZULU CRECHE**

On the 20th of October 2022 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).

##### **12.2 AIM OF STORYTELLING**

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)

#### 12.3 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.

#### 12.4 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

## 12.5 PROMOTIONAL ITEMS

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

## 12. WORLD PLAY DAY/WORK AND PLAY

World Play Day was an annual event celebrated to observe the importance of play through sport, inspired by the International Toy Library Association (ITLA), and celebrated in over 40 countries around the world. This year's event was celebrated to increase access to play-based opportunities and to build relationship between municipal employees and external stakeholders. The world play day event forms part of the wellness of employees because an health mind is an healthy body which provides an employee a sense of cognitive mind to encounter different challenges at work and efficiently produce outstanding performance at work.

### 13.1 INTRODUCTION

Work and play are equally important because work pays the bills and play rests the mind. Making time for both work and play means having a good work-life balance and prioritizing both professional growth and personal enjoyment. Note that people who make time for both work and play tend to give equal attention to their career and personal goals.

They strive to maintain a flourishing social life, develop healthy habits and find time for the activities they enjoy while advancing in their career successfully. People's health and well-being are improved once they are able to get involved in meaningful and pleasurable activities. As part of the SDBIP, the world play day at uMfolozi Local Municipality has been observed for the past six years being a small event that includes only municipal employees only through sport (sport code being soccer) only, but as the event grows other activities has been included like team building activities, athletes, spelling bee competitions and poetry depending on the budget.

### 13.2 PLANNING OF THE EVENT AND PROCEESSING OF THE DAY

The library services unit being the curators of the world play day usually plan the event which is being held in the third term of the municipal financial year. The concept document was transcribed for it to be supported in the office of the SM: Community Services and further to the office of the Municipal Manager. The concept document which is an annexure to this report was approved by the office of the municipal manager for the event to take place on the 28<sup>th</sup> of April 2023. As stipulated in the concept document annexure no.4.1 sport codes (Soccer between the internal employees and other municipal employee's soccer team should have been the main event of the day, not forgetting other sport codes if there were a request from internal or external.

The 2023 world play day event planning committee were selected, and it consisted of six members which were given different task and on the planning meeting two days before the event the SM: Community services announced that he had a meeting with the municipal manager and the leadership of the Municipality informing him that the Councillors of the invited municipalities would like to participate in the event of which at the very short space of time the event by virtue of the Cllrs position the whole event shifted into another level, the details of the event were as follows:

#### 13.2.1 PROCUREMENT OF GIFT AND PROMOTIONAL ITEMS

- ⊕ The library services requested the finance department to purchase the gift and promotional materials for the awarding ceremony which were:
  - Two soccer jersey (one for the winner and the other for the uMfolozi municipal team).
  - 150 soccer medals for the participants in soccer including technical teams.
  - Six soccer trophies (One for the winner, one for second runners, one for third runners, one for man of the tournament, one for highest goal scorer and one and one for the outstanding team in teambuilding games.

- Ten soccer balls were also purchased for the event (three soccer balls were given to the teams that participated in the event, three soccer balls per team and one soccer ball was given to KwaMbonambi Primary school as a donation towards their soccer team as it was requested as they were going to host soccer games the following weekend but running short of soccer balls).

All these items were purchased in Solly M Sport shop in Durban and the kit were collected in Durban the same day morning of the event.

### 13.2.2 INFRASTRUCTURE

- ⊕ There were no costs incurred to the infrastructure as the games doesn't require one, schools toilets, electricity, water and an open dining hall were open to be utilized on the day of the event.

### 13.2.3 CATERING

- ⊕ The library services unit had a limited budget of catering to cater for the event which is shown to concept document as an annexure to this report, however 300 people were catered on the day of the event by a service provider the finance department has chosen to assist with the event.
- ⊕ Food to cater for Leadership and Cllrs (100) were distributed at the municipal buildings but the leadership and Cllrs didn't even make the numbers of 60 while 200 were distributed in KwaMbonambi primary school.

### 13.2.4 PROCEEDING OF THE DAY

- ⊕ The games due to be played on the day of the event started three hours later than the scheduled time, this was due to later arrival of the teams.

### 13.2.5 TEAM BUILDING GAMES

- ⊕ Team building activities are a core component of work life. Any company invested in developing effective workers should engage in these activities. These opportunities for team bonding foster friendship and community within the workplace. In turn, this helps to improve worker satisfaction and happiness. Around 13% of employees assert that they are more productive when happy.
- ⊕ Team building events are a continuous process. They are necessary to form stronger ties between workers and the company.
- ⊕ There were lots of activities that were played during the team building games which includes:
  - The egg drop
  - The Apple drop
  - The Human Knot
  - Nails and wool
  - Apple drop



Figure 1 Pictures taken during team building exercise.

The red team won all the activities, with second place blue team (facilitator was FI Mdletshe).

#### 13.2.5 SOCCER GAMES

The point system were used on the soccer games due to Mhlathuze and Jozini Municipality withdrawing on games on the last minutes then SAPS had to replace Jozini municipality and three teams participated on the date of the event. Mhlathuze municipality withdrawn and never arrived on the games but invitations were sent on time. The first game was between umfolozi municipality clrs and Mthonjaneni municipality clrs and umfolozi municipality lost 2-0, the second game was between the SAPS and umfolozi municipality and umfolozi municipality lost 2-1. The third game was between the SAPS and uMthonjaneni Municipality and SAPS won 2.1 which resulted for them to be on top of the log and worn the soccer tournament of the day.





***These are some of the pictures taken during the event***

### **13.2.7 AWARDING CEREMONY**

The management and the leadership of uMfolozi Local Municipality and other municipal leadership awarded the prices to the teams that outshined during the event and the awards was as follows:

Number 01. Got a soccer jersey, Trophy, three soccer balls and gold medals.

- 02. Trophy and three soccer balls
- 03. Three soccer balls and medals

All teams will get medals

### **13.2.8 CHALLENGES**

- ✚ Late arrival of invited soccer teams which led the event to start late.
- ✚ Shortage of budget due to wide-spread of an event in to a senior level.
- ✚ Monitoring of catering by service provider and department who purchased the catering.
- ✚ Date of the event clashing with holidays as many employees were on leave.

### **4.5.1 RECOMMENDATIONS**

- The SCM unit should fast track processes on time so they could avoid processing of purchase orders on last minutes.
- There should be a close monitoring of catering by user department and finance department to avoid disappointments.
- The event should be planned earlier and involve all stake holders internal and external.
- The event should be conducted within two days to accommodate time.
- Personnel tasked to participate on the event should do so

- List of all participants should be requested on time..

**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

## 14 INTERNATIONAL MOTHER TONGUE AWARENESS 2022

KwaMthethwa Modular Library in February 2023 conducted International Mother Tongue Day at Enhlabosini Primary School and New Phathane Primary School and at KwaMthethwa modular library 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. The main aim was to teach learners about the importance of the mother tongue

### 14.1 Career Exploration

KwaMthethwa Modular Library hosted Career Exhibition Event at Ezidonini Multipurpose Centre on 23. June. 2023. The event was embraced with four High Schools from inland part of UMfolozi Local Municipality jurisdiction. The event was blessed by the presence of municipal leadership, management and municipal officials, various stakeholders organisations and institutions.

The event hosted grade 09 and grade 10 from the following high schools:

#### Grade 09 and grade 10 learners from four inland high schools

NAME OF SCHOOL	GRADE	NO OF LEARNERS
UGOME HIGH SCHOOL	09 AND 10	78
UMFANISO HIGH SCHOOL	10	42
UMBUSO HIGH SCHOOL	10	82
ISIPHEPHELO HIGH SCHOOL	09	80
<b>TOTAL NUMBER OF LEARNERS</b>		<b>282</b>

Each high school had two educators as representatives.

### 14.2 The following exhibitors/ presenters attended career exploration event

University of Zululand: Information Studies Department

Zazi Consultant

Isisekelo Solutions

Ke Ready Non-profit organisation

Outreach coordinator Office of the Premier KZN

Isibani Development Partners

## **14.3 University of Zululand Information Studies Department**

University of Zululand Information Studies Department presented about five offering the department offers to students, namely Bachelor of Information Science, Bachelor of Library and Information Science and four postgraduate programs which are Bachelor of Arts Honors in Information Science, Master of Arts in Information Science/ Library and Information Science and Doctor of Philosophy in Information Science. The presentation also touched on requirements learners needs to meet in the above offerings.

## **14.4 Zazi Consultant**

Zazi Consultant is an organisation which assist learners with applicants and academic qualification offered by various higher learning institutions. The organisation presented about bursary information, Central Office Office , NSFAS and Career guidance.

### **➤ Isisekelo Solutions**

Isisekelo Solutions Group is a group of diverse subsidiaries that offer custom-made solutions. Isisekelo services focus on Business Strategy, Organisational Development, Training and Development, Enterprise and Supplier Development (ESD), Security Services, Facilities Maintenance, Construction and ICT Solutions. Their presentation was about training and development opportunities, business partnerships, enterprise and supplier development.

### **➤ Ke Ready HealthCare Organisation**

This is a mobile youth healthcare organisation and focuses on youth healthcare programs. They focus on youth between the age of 12 to 34 years. Their presentation was motivating youth to take care of themselves on issues like substance and drug abuse, living a healthy lifestyle, abstaining, taking part in wellness programs that encourages healthy lifestyle.

### **➤ Outreach Coordinator Office of the Premier KZN King Cetshwayo District**

This is a mobile youth office which target young people especial in the rural locations and townships. The presentation was done by Youth Outreach Officer. Her presentation touched on the services the office of the youth provides to community and the youth. The presentation outlined that they provide business orientation services, free Internet services, free copies and prints, assist with job applications, NSFAS, CAO, bursaries and other youth development information.

### **➤ Isibani Development Partners**

This is an NPO from Gauteng Province which is running National Department of Health Tuberculosis (TB) program but based in King Cetshwayo District. Their presentation was all about educating leaners about TB, what is TB, how does TB spread among people, prevent spreading of TB, types of TB. During the presentation they explain that the organisation is based in KCDM mainly because TB is the leading cause of death in this district.

All presenters and/or exhibitors distributed information brochures reflecting broad information about their services. The Department of Sport, Arts and Culture assisted with skills information brochures.

## **15 International Mother Language**

On May 19, 2023 as part of mobilising learners and the community to access the library, KwaMthethwa Modular Library invited Mqadi Creche to participate in International Mother Language program.

During the event children from Mqadi creche were given an opportunity to read aloud on various words/ terms and certain body parts and translate them into their mother language which is isiZulu. The purpose is to motivate children at their early stage not to overlook their mother language even if they are with other races. To promote diversity and Multilanguage society, children were encouraged not to underestimate or to look down on another race's language. Celebration of mother tongue language plays an important role in promotion of the spirit of Ubuntu.

## 16 Reading Competition

On 13 September ,2023 KwaMthethwa Modular Library in conjunction with KwaMbonambi public library and Mzingazi public library conducted Reading Competition and Literacy Day which as part of meeting the Community Services Portfolio Committee Service Delivery Budget Implementation Plan.

The stakeholders who participated on the even were the following:

Nine grade four learners from Saligna primary school, Esigaganeni primary school, Empumelelweni primary school, Lubana primary school and Mzingazi primary school. These were learners who won during level 1 stage of the competition which began at the library level prior municipal level, which is level 2.

Educators accompanying learners from the latter primary schools.

Adjudication team made up of Ms. S. Cebekhulu Community services department Secretary and Ms. F. Mdletshe the Environmental officer.

Coordination Team: Mr. V.P. Ntshangu Librarian, Mr. S.B. Dlamini Librarian, Ms. N.B. Mpanza Librarian and all library unit officials. Ms. N. Mthiyane, Facility officer

### Criteria for adjudication process.

Learners were assessed based on the following criteria:

- Pronunciation: Correct pronunciation of words.
- Fluency: Sentences and phrases are coherent.
- Clarity: Clearly heard or understood.
- Comprehension: Clear understanding of the information

### Winners.

Stage two requested that the adjudication team based on the latter criteria nominate top three achievers. A learner from Empumelelweni primary school pronounced as number 1 representing KwaMbonambi public library, Esigaganeni primary leaner pronounced on position two and leaner from Embabeni primary school in third position both representing KwaMthethwa modular library respectively. The latter readers will then on the 19<sup>th</sup> October. 2023 compete at a district level with various readers from other municipalities within King Cetshwayo District.

## 17 School Library Visits

KwaMthethwa Modular Library conducted library visits in the following primary schools in the inland part of UMfolozi municipality:

### **Empumelelweni Primary School**

During this visit we learn that this primary has a structure and a person responsible for library and reading activities. However, we also noted a gap, the structure lacks library materials and equipment.

### **Phoziphozi Primary School**

Phoziphozi Primary School does not have a library facility nor a reading champion. The principal of the school expressed the shortage of staff and lack of school facilities that can be used to pursue library purposes.

### **Qedumona Primary School**

There is the facility which is converted to library and is active, learners have a period during which they need to be in a library.

## **Esigaganeni Primary School**

Library activities in this school are visible and active, though they do not have a library structure. There are continuous reading programs that we normally take part in from Esigaganeni Primary School.

### **Stakeholder engagement and relationship**

#### **Siphembile Non-profit organisation**

KwaMthethwa Modular Library have forged partnership with Siphembile Non-Profit Organisation and Umusawenkosi Orphanage. The arrangement between KwaMthethwa modular library and Siphembile non-profit organisation aims at increasing library patrons, improve elder's literacy level in Zonza area. The library and Siphembile non-profit organisation are on plans to form reading club which will open a room for reading. This will involve reading competition, reading for fun with a view to promote literacy level among senior citizens. The senior citizens will on every Wednesday visit KwaMthethwa Modular Library for reading purposes and to access library space to keep up with Siphembile non-profit organisation activities. This working relationship will improve working relationship between the library and community at large.

#### **Umusawenkosi orphanage**

KwaMthethwa Modular Library engaged with Umusawenkosi orphanage with an aim to forge working relationships. The forged working relationship aims at helping learners residing within Umusawenkosi orphanage with assignments, projects, online bursary applications and increase number of users for KwaMthethwa Modular Library. Library officials will visit Umusawenkosi on quarterly basis especially grade 12 learners in helping with bursary information and application.

#### **High Schools**

The library is engaging all surrounding high schools to have a common goal on helping grade 12 learners in applying for bursaries and NSFAS bursary every year. The library has approached Ugome Secondary School, Uyengo High School, Umbusowabathethwa High School with regard to assisting learners with the latter programs. During this quarter which is January to March we hope to have approached all nearby high school regarding the online program.

#### **Primary Schools**

Our primary aim in local schools is to help improve literacy levels of learners, we have forged partnerships with all listed primary schools. This year the library has visited Qedumona primary school and Embabe primary with an aim to improve our working relationship. We have reading programs in place already for these primary school. We will proceed to all surrounding primary school with reading / literacy programs.

The library conducted Community Outreach

### **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

The non functionality of the KwaMthethwa modular library was the main and ongoing challenge of KwaMthethwa modular library.

## **Component E: Environmental Protection**

This component includes: pollution control; biodiversity and landscape

### **3.12. Pollution Control**

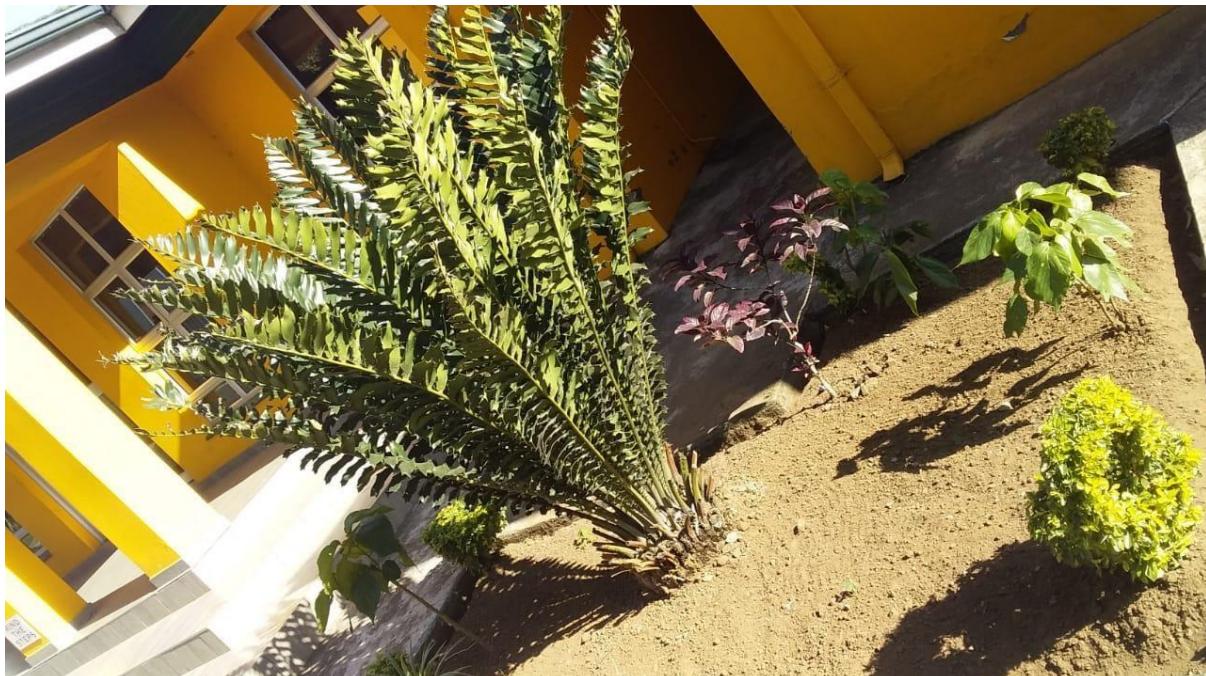
INTRODUCTION TO POLLUTION CONTROL

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.

### **3.13. 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.



*Landscape*

### **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 2022, 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 2022 to plant indigenous trees around uMfolozi schools and residents.



*Tree planting at Dondotha High School*

#### **2021 TREE OF THE YEAR:**

Scientific name: *Dias Cotinifolia* Common

name: Pompontree

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.

#### **3.14. 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 Affair 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 2022 to June 2023

Road safety as a shared responsibility, every citizen has a responsibility to protect life, as emphasized 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 us 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 2022 to June 2023

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
<b>Total</b>	<b>2 631.00</b>	<b>R403,370.00</b>

## **Component G: Sport and Recreation**

### **3.15. 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 2021/2022 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 2022/2023 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

### 3.16. 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.

### 3.17. 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 2022/23: Finance Services					
Job Level	2021/2022		2022/2023		
	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 2021/22: Finance Services					
Details	2021/22	2022/23	Adjustment Budget	Actual	Variance to Budget (%)
	Actual	Original 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	

### 3.18. 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 2022/2023 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 2023/2024 financial year.
- Policies will be reviewed on quarterly basis for 2023/2024 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 Marshals
- 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.

### **3.19. 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 2022/23 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.

<b>Capital Expenditure for 2022/23: ICT Services</b>						
<b>Capital Projects</b>	<b>R'000</b>					
	<b>2020/21</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from Original Budget</b>	<b>Total Value</b>
<b>Total</b>						

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

### 3.20. Administration

#### INTRODUCTION TO ADMINISTRATION, RECORDS MANAGEMENT, FLEET SERVICES AND AUXILIARY 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 governed 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, 1<sup>st</sup> Deputy Information Officer (DIO) and 2<sup>nd</sup> Deputy Information Officer (2<sup>nd</sup> 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 15<sup>th</sup> of June 2021 on Compliance necessary engagements are in progress.

Capital Expenditure for 2021/2022 Administration Unit		R'000
Capital Projects	2022/23	

	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
<b>Total</b>					
<b>Safety &amp; Security</b>	R 5 000 000.00	R4 500 000.00	R4 265 035.26		
<b>Cleaning Services</b>	R 2 100 000.00	R2 100 000.00	R1 638 691.00	R 461 000.00	
<b>Printing Solutions</b>	R 680 000.00	R 699 000.00	R 584 997.00	R114 002.00	
<b>Vehicle Acquisitions</b>	R2 500 000.00	R2 500 000.00	R 2 263 655.00	R236 345.00	

### Component I: Organisational Annual Performance: Annual Performance Report



# 2022/2023 FINAL ANNUAL PERFORMANCE REPORT

30 JUNE 2023

## ***uMfolozi Local Municipality***

***"Through servant leadership, accountability, and responsive governance, we will holistically improve quality of life for all people of uMfolozi Local Municipality."***

## Contents

1. INTRODUCTION .....	3
2. LEGISLATIVE REQUIREMENT.....	4
2.1. MUNICIPAL SYSTEMS ACT, 32 OF 2000.....	4
2.2. MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (NO796, 24 AUGUST 2001) .....	5
3. SUMMARY OF THE REPORT.....	5
4. PERFORMANCE MANAGEMENT PROCESS .....	6
5. PERFORMANCE ASSESSMENT PER KEY PERFORMANCE AREA.....	7
6. PERFORMANCE ASSESSMENT PER DEPARTMENT.....	8
7. PERFORMANCE AND SUPPORTING INFORMATION .....	8
8. GENERAL KEY PERFORMANCE INDICATORS .....	9
9. ASSESSMENT OF THE PERFORMANCE OF THE EXTERNAL SERVICE PROVIDERS	10
10. ANNUAL PERFORMANCE REPORT SCORECARD .....	14
11. CONCLUSION.....	34

## **Municipal Manager's Overview**

This 2022/2023 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 2022/2023 with one vacancy for the positions of Municipal Manager and the position was filled in November 2022. The Acting Municipal Manager was appointed on the 01<sup>st</sup> of July 2023. Senior Manager Community Services was appointed to act on behalf of the municipal manager. We have been able to successfully ensure continuity with the fully capable staff available within this Department.

The conclusion of the 2021/22 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. The performance management report however received a qualified audit opinion during the 2021/2022 financial year.

We would like to thank the Municipal Leadership for their contribution in bettering the lives of people of uMfolozi, 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.

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Municipal Manager

Mr LS Jili

## 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 can 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 deliver services to citizens

This performance report is per key performance areas and indicates the performance of the organization against the organizations 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 (Act no. 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 must report on (Reg. 10); and
- Reporting of performance information (Reg. 13)

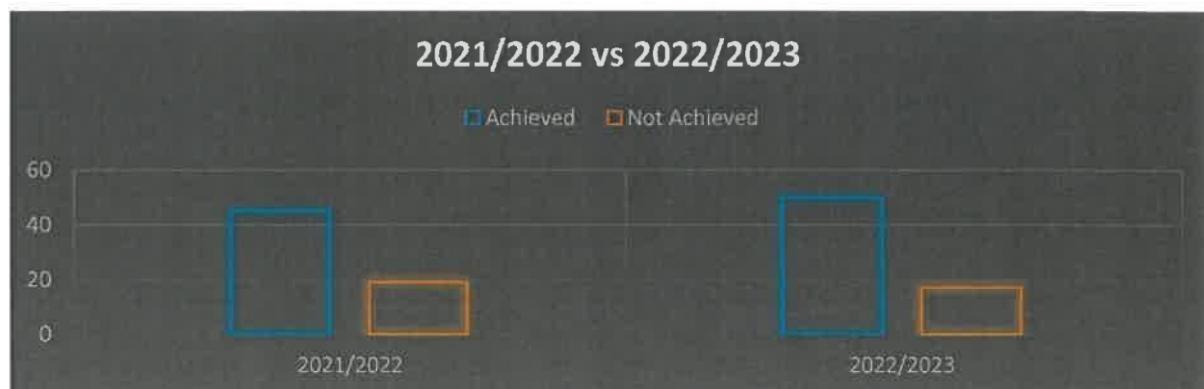
### 3. SUMMARY OF THE REPORT

This report includes highlights from the key performance measures included in the 2022/23 IDP. These priority measures constitute the Municipal Scorecard for 2022/23 financial year.

This report presents the year-end performance results for 2022/23. 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 Figure1.

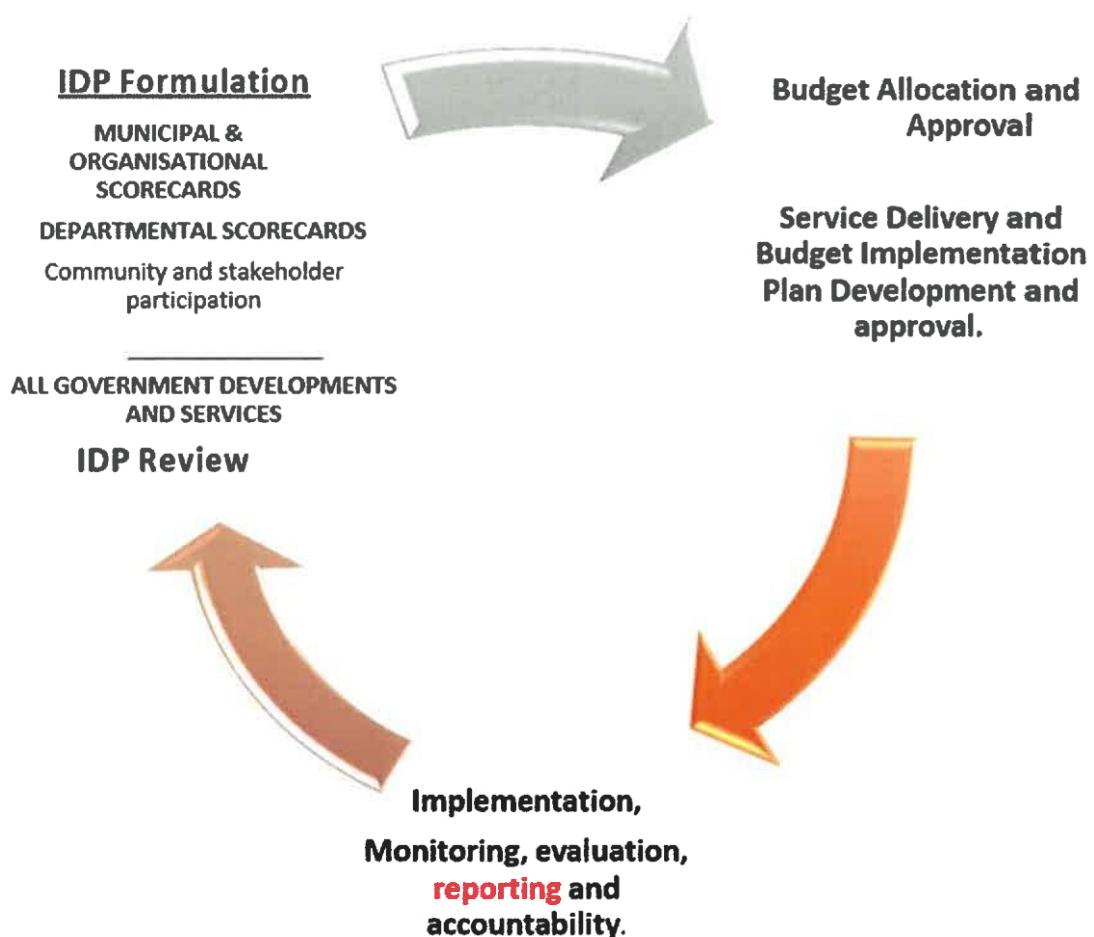
Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances enables remedial action to be taken where appropriate.

*Overall performance graphs and dashboard information*



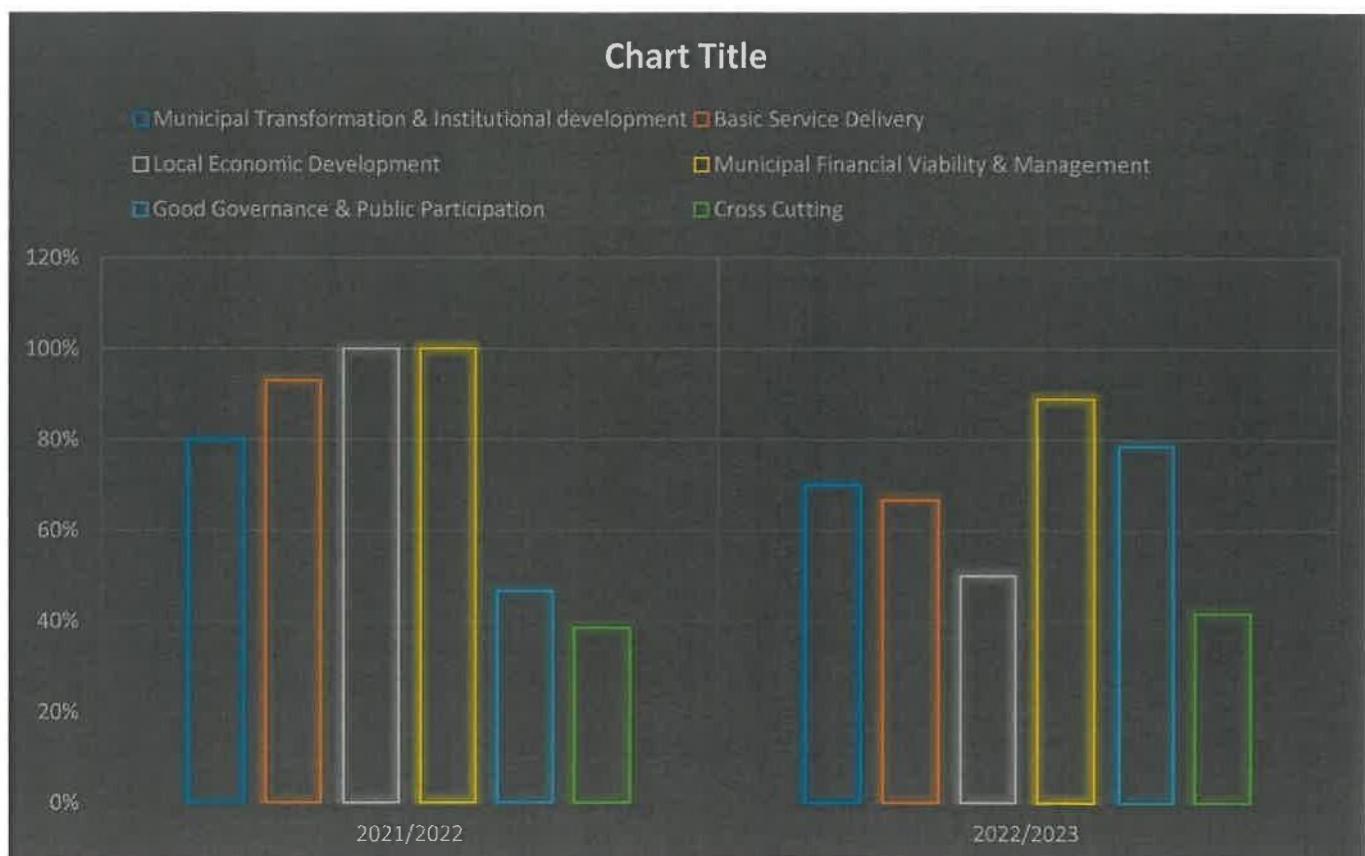
## 4. PERFORMANCE MANAGEMENT PROCESS

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	<b>Municipal Transformation &amp; Institutional Development</b>	10	7	3	70%
2	<b>Basic Service Delivery</b>	21	14	7	66.7%
3	<b>Local Economic Development</b>	2	1	1	50%
4	<b>Municipal Financial Viability and Management</b>	9	8	1	88.9%
5	<b>Good Governance &amp; Public Participation</b>	14	11	3	78.6%
6	<b>Cross Cutting Intervention</b>	12	5	7	41.7%
	<b>Total</b>	68	46	22	67.6%



## 6. PERFORMANCE ASSESSMENT PER DEPARTMENT

KPA No.	DEPARTMENT	TOTAL TARGETS	NO. OF TARGETS ACHIEVED	NO. OF TARGETS NOT ACHIEVED	PERFORMANCE RATE (%)
1	Executive Department	27	15	12	55.5%
2	Financial Services	8	8	0	100%
3	Corporate Services	10	8	2	80%
4	Community Services	4	3	1	75%
5	Technical Services	19	11	8	57.9%
	<b>Total</b>	<b>68</b>	<b>45</b>	<b>23</b>	<b>66.2%</b>



## 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	150 households	90 households	Not Achieved	Budget Constrains	Allocations will be included for households in 2023-2024
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 R3 500 per month with access to free basic services	100%	100%	Achieved	N/A	N/A
c.	The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	99.42%	Not Achieved	The portion of 0.58% (R256 504.66) for manager PMU was declined by Cogta	we will be applying
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	R6 301 526	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 2021/2022	Implementation of MSCOA.  Accounting System  Drawing up of Financial Statements and FAR	Implementation of MSCOA.  Accounting System  Drew up Financial Statements and FAR for 2022/2023	G		
Mills Fitchet Natal PTY LTD	07 October 2016	Preparation of General Valuation	R1 244 857.20	Preparation of General Valuation Roll	In progress	Maintenance of the valuation roll	Maintenance of the valuation roll	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	R
		Roll								
North coast office equipment cc	01 July 21	Provision of (10) multi-function network photocopiers machines	R1 449 091.40	Provision of (10) multi-function network photocopiers machines	Lease	Provision of (10) multi-function network photocopiers machines	Lease	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	Contract ended on January 2023	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	Contract Ended in June 2022	N/A	G		
Montambo financial Consultants cc	30-Jul-2022	Provision of internal audit services	R581. Per hour	N/A	N/A	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	G		
BPG Mass Appraisal	01 July 2022	Valuation roll implementation	R948 738.05	N/A	N/A	Valuation roll implementation	Valuation roll implementation	G		
Umnotho business consulting	20 June 2019	Internal Audit	R556.00 per hour	Internal Audit	Internal Audit	Contract Ended in June 2022	N/A	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	01 July 2022	Provision of Short-Term Risk Solutions	R838 578.29	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	252 000	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
Anezi connect pty ltd	01 February 2021	Provision of ict and advisory support services	R12 182 323,00	Provision of ict and advisory support services	Ongoing	Provision of ict and advisory support services	ongoing	G		
Upsurge construction and projects pty ltd	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
PK Financial consultants professional accounts (SA)	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
Mntambo financial consulting cc	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
Maximum profit recovery pty ltd	26 April 2021	Conduct vat recovery and tax services	12.5% of the returns submitted	N/A	N/A	Conduct vat recovery and tax services	Conduct vat recovery and tax services	G		
Simpbulwazi Engineers	01 February 2021	To design, execute and monitor progress of Mpumelelweni access road project.	R 516 915,32	N/A	N/A	To design, execute and monitor progress of Mpumelelweni access road project.	Simpbulwazi 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		
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		

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	R
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		
Unakane Business Enterprise	01-Feb-2022	To provide Cleaning, Hygiene Services Cleaning Equipment and materials	R6 711 321.31	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		
Siyajabula 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 2022/2023 Financial year. Produced five (05) incidents Reports Attended twelve (12). Safety and Security Committee meetings on Security Monthly Operations	G		

## 10. ANNUAL PERFORMANCE REPORT SCORECARD

### Municipal Transformation and Institutional Development

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2021/2022 ACTUAL		2022/2023 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							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	submit 2 Training Reports to Council by 30 June 2022	1 training report was submitted to council during 2021/2022 financial year	submit 2 Training Reports to Council by 30 June 2023	There was no training Reports submitted to Council by 30 June 2023	R	R0,00	There was no training committee which resulted to the reports not to be submitted to council	The training committee will be established in 2023	Minutes and Attendance Registers for Council Meeting Training Report
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 68 matriculants with bursaries by 31 March 2022	68 Matriculants awarded with bursaries by 31 March 2022	Award 68 matriculants with bursaries by 31 March 2023	80 matriculants were awarded with bursaries by 31 March 2023	G2	R763 800,00	N/A	N/A	Proof of Payments List of Beneficiaries
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 2022/2023 Organogram to Council for Adoption by 30 June 2022	Revised 2022/2023 Organogram was submitted to Council for Adoption on the	submit 1 2023/2024 Organogram reviews to Council by 30 June 2023	1 2023/2024 Organogram reviews were submitted to Council on the 30 March 2023	G	R0,00	N/A	N/A	Council Resolution Certificates Final 2023/2024 Organogram (Available at HR Office on request)

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 2022	The Employment Equity Report for 2021/2022 financial year was submitted to the Department of Labour in January 2022	Submission of the 1 Employment Equity Report to Department of Labour by 31 January 2023	1 Employment Equity Report was submitted to Department of Labour on the 09 <sup>th</sup> of January 2023	G	R0,00	N/A	N/A	Acknowledgement Of Receipt from the Department of Labour Employment Equity Report
Office of the Municipal Manager	Number of Quarterly 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 2022	4 Quarterly Performance Reports were submitted to Council by 30 June 2022	Submit 4 Quarterly Performance Reports to Council by 30 June 2023	2 Quarterly Performance Reports were submitted to Council on 19 <sup>th</sup> of December 2022 and the 29 June 2023	R	R0,00	PMS manager position was vacant during quarter 1 to quarter 3	during quarter 4 PMS Manager was appointed therefore going forward we will ensure that all quarterly reports are submitted on time to Council.	Minutes of Council meeting, Attendance register and Performance reports
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 2022	0 Performance assessments were conducted	Conduct 4 Performance Assessments for section 54/56 Managers by 30 June 2023	2 Performance Assessments for section 54/56 Managers were conducted on the 23 <sup>rd</sup> of March 2023	R	R0,00	2 informal assessments did not take place due to the late appointment of the Municipal Manager.	The Municipal Manager was appointed on the 1 <sup>st</sup> of November 2022 and we have already conducted mid-term and annual assessments. we will ensure that the assessments are conducted on time and according to the Municipal	Minutes of performance assessments Attendance register

													performance regulations		
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 2021	5 Performance Agreements of S54/56 Managers were signed and submitted to COGTA by 31 July 2021	Submit 5 signed Performance Agreements by Senior Managers to CoGTA by 31 July 2022	5 signed performance agreements by Senior Managers were submitted to Cogta on the 31 of July 2022 and for the Municipal manager on the 24 <sup>th</sup> of January 2023	G	R0.00	The Senior Managers agreements were signed in the 1 <sup>st</sup> of July 2022 however the acknowledgement only received in 19 <sup>th</sup> of August 2022.  The appointment of the Municipal Manager was concluded on 01-Nov-22 and in December 22 the Municipality closed early which was on the 15th hence why the agreement was submitted on the 24 <sup>th</sup> of January 2023	N/A	Signed Performance Agreements, Acknowledgement Receipt from CoGTA
Office of the Municipal Manager	Number of Annual Reports and Oversight Reports submitted and	Implement Performance Management Framework & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submission of 2020/2021 Annual report and Oversight report to Council for approval by 31th March 2022	Annual Report and Oversight Report was submitted and approved by council on the 31th of March 2022	Submit 1 2021/2022 Annual report and Oversight report to Council for approval by 31 March 2023	1 2021/2022 Annual report and Oversight report was submitted and approved by Council on 30 March 2023	G	R0.00	N/A	N/A	Council Resolution, Minutes of Council meeting, Attendance register

	approved by council														
Office of the Municipal Manager	Number of Annual Performance Report submitted to Auditor General	Implement Performance Management & Policy	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Increase performance & efficiency of Organization	A1	Submission of 1 2020/2021 Annual Performance Report to Auditor-General by 31 August 2021	The 2020/2021 Annual Performance Report was submitted to AG on the 30th of October 2021	Submission of 1 2021/2022 Annual Performance Report to Auditor-General by 31 August 2022	1 2021/2022 Annual Performance Report was submitted to Auditor-General by 31 August 2022	G	R0,00	N/A	N/A	Acknowledgement of receipt from Auditor General
Corporate Services	Number of fumigations facilitated	Cleanliness	Municipal Transformation and Institutional Development	To ensure internal municipal excellence	Optimize resource and facility management	A5	facilitate 4 fumigations of the Municipal offices by 30 June 2022	Fumigation of municipal offices was done on quarterly basis in the 2021/2022 financial year	facilitate 4 fumigations of the Municipal offices by 30 June 2023	all 4 fumigations of the municipal offices were facilitated on the 09 <sup>th</sup> of September 2022, 09 <sup>th</sup> of December 2022, 17 <sup>th</sup> of March 2023 and 02 <sup>nd</sup> of June 2023	G	R60 000,00	N/A	N/A	Treatment Report

## Basic Service Delivery

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2021/2022 ACTUAL		2022/2023 ACTUAL				BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							Target	Actual	Target	Actual	R					
Technical Services	Number of Kilometres constructed for Gravel Roads	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	New project		Construct 3.6km of Gravel Access Road at Maqabaqabeni by 30 June 2023	3.1km Gravel Access Road was constructed at Maqabaqabeni by the 30 <sup>th</sup> of June 2023	O		R 4 329 349.23	85% of 3.6km Gravel Access Road was completed. The target was not achieved due to poor performance on site by the contractor which was appointed, that resulted to the municipality to terminate the contract on the 03 <sup>rd</sup> of March 2023	The contractor was appointed on the 19 <sup>th</sup> of May 2023 to complete the project by quarter 1 in the next financial period	Completion certificate Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 1km of Gravel Access Road at KwaNdlovuwe nyawo by 30 June 2023	1.2km of Gravel Access Road was constructed at KwaNdlovuwe nyawo by the 28 <sup>th</sup> of February 2023	G		R2 178 099.36	N/A	N/A	Completion certificate Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for	Rehabilitation and Development of Roads	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and	Improve the state of Municipal Physical Infrastructure	B1	New project		Construct 3km of Gravel Access Road at Zilahle by 30 June 2023	3km of Gravel Access Road was constructed at Zilahle by	G		R 4 199 989.21	N/A	N/A	Completion certificate Progress reports

	Gravel Roads	Infrastructure		healthy environment to our communities					the 07 <sup>th</sup> of July 2022					Appointment letter	
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 2.9km of Gravel Access Road at Bumbaneni by 30 June 2023	2.9km of Gravel Access Road was constructed at Bumbaneni by the 31 <sup>th</sup> of August 2022	G	R 3 111 146.87	N/A	N/A	Completion certificate Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 3.5km of Gravel Access Road at Phobobo by 30 June 2023	3.6km of Gravel Access Road was constructed at Phobobo by the 15 <sup>th</sup> of December 2022	G	R 3 226 440.69	N/A	N/A	Completion certificate Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 3.4km of Gravel Access Road at Ndlabeyilandula by 30 June 2023	3.4km of Gravel Access Road was constructed at Ndlabeyilandula by the 18 <sup>th</sup> of October 2022	G	R 4 899 163.19	N/A	N/A	Completion certificate Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 2.4km of Gravel Access Road at KwaMdladla by 30 June 2023	2.56km of Gravel Access Road was constructed at KwaMdladla by the 09 <sup>th</sup> of September 2022	G	R 3 667 292.94	N/A	N/A	Completion certificate Progress reports Appointment letter
Technical Services	Number of meters constructed for Bhiliya Causeway	Rehabilitation and Development of Roads Infrastructure	Technical Services	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	Construct 36.5 meters of Bhiliya Causeway by 30 June 2022	17.15 meter of Bhiliya Causeway was Completed by 30 June 2022	Completion of 30 of meters of Bhiliya Causeway	30 meters of Bhiliya Causeway was constructed by the 10 <sup>th</sup> of May 2023	G	R4 740 206.25	N/A	N/A	Completion Certificate Progress report Appointment Letter

Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 3km of Mashobeni gravel Access Road by 30 June 2023	1.5km of gravel Access Road was constructed at Mashobeni by 30 June 2023	R		The construction of Mashobeni Access Road was constructed up to 45% of the overall project.  The project timeframe has not lapsed since the project was funded using additional incentive from COGTA (02 <sup>nd</sup> of May 2023)	100% of Mashobeni Access Road will be completed in Quarter 1 of 2023-24 financial year since the project was funded using additional incentive received from COGTA in April 2023	Progress reports Appointment letter
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 3.3km of Phikaqede Gravel Access Road by 30 June 2023	2.81km of gravel Access Road was constructed at Phikaqede by 30 June 2023	R		The construction of Phikaqede Access Road was constructed up to 85% of the overall project.  The project timeframe has not lapsed since the project was funded using additional incentive received from COGTA in April 2023	100% of Phikaqede Access Road will be completed in Quarter 1 of 2023-24 financial year since the project was funded using additional incentive received from COGTA in April 2023	Progress reports Appointment letter

													from COGTA (02 <sup>nd</sup> of May 2023)		
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 2.6km of Sabokwe Gravel Access Road by 30 June 2023	2.34km of gravel Access Road was constructed at Sabokwe by 30 June 2023	R	F			
Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 1.4km of Ngome Gravel Access Road by 30 June 2023	0.35km of Gravel Access Road was constructed at Ngome by 30 June 2023	R				

Technical Services	Number of Kilometers constructed for Gravel Roads	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	New project		Construct 2.8km of Gravel Access Road at Embangweni by 30 June 2023	2.66km of gravel Access Road was constructed at Embangweni by 30 June 2023	R		a result the supply terminated the contract.		
Technical Services	Number of kilometers of access road maintained	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	New project	620.50km of rural access roads were maintained	Complete maintenance (Blading) of 400 kilometres of rural access roads by 30 June 2023	(Blading) of 894.3km kilometres of rural access roads were maintained by 30 June 2023	B	R0,00	N/A	N/A	Daily output report Grader schedule
Technical Services	% of Dondotha Community Sporting Complex constructed	Building Maintenance	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy	Improve the state of Municipal Physical Infrastructure	B1	100% completed	The project was damaged due to floods	Construct 98% of Dondotha Community Sporting Complex by 30 June 2023	98% of Dondotha Community Sporting Complex was constructed by 30 June 2023	G	R2 000 000	N/A	N/A	Appointment letters Progress reports Completion certificate

				environment to our communities											
Technical Services	% of installed and completed Electrification Network	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	Connect 400 households	400 Household connected	100% Completion of the Installation of Electrification Network by 30 June 2023	79% Completed and Installed Electrification Network by 30 June 2023	D	R 3 000 000,00	The target was not met due to the fact that there are delays on procurement of smart meter hence the projects are still seating at 79%	The project will be completed in the next financial period.	Appointment letters Progress reports Completion certificate
Finance Services	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 were given access to free basic electricity on a monthly basis during 2022/2023	3968 households with access to free basic electricity on a quarterly basis during 2022/2023	3968 households were given access to free basic electricity on a quarterly basis during 2022/2023	G	R 1 040 750,00	N/A	N/A	Indigent Register
Technical Services	Percentage construction of Fuyeni Creche	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	New project		100% Construction of Fuyeni Creche by 30 June 2023	Fuyeni Creche was 100% constructed by the 05 <sup>th</sup> of May 2023	G	R 3 473 637,50	N/A	N/A	Completion certificate Progress reports Appointment letters
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	construct 2 MPCC in ward 14 and Mankwathini by 30 June 2022	1 MPCC in ward 14 was 100% completed and 80% of Mankwathini Multi-Purpose Centre (main hall and offices) was completed by 30 June 2022	Construct 1 MPCC in Mankwathini (ablution and parking) by 30 June 2023	Mankwathini MPCC was constructed by the 06 <sup>th</sup> of October 2022	G	R 1 642 874,00	N/A	N/A	Progress Reports Completion certificate
Community Services	Number of wards with access to waste removal	Refuse Removal	Basic Service Delivery	To ensure the provision of Basic Services and creation of safe and healthy	Improve environmental management	B3	7 wards with access to weekly waste removal	7 wards with access to weekly waste removal each quarter	7 wards with access to weekly waste removal per quarter	7 wards with access to weekly waste removal per quarter during 2022/2023 financial year.	G	R 666 857,00	N/A	N/A	Truck Schedules, KCMD Invoices, Reports

				environment to our communities											
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	conduct 12 multi-Disciplinary roadblocks by the 30 June 2022	12 multi-Disciplinary roadblocks were conducted in 2021/2022	conduct 12 Multi-Disciplinary roadblocks by 30 <sup>th</sup> of June 2023	15 Multi-Disciplinary roadblocks were conducted on the: Q1 15-Jul-22, 23-Sep-22 and 29-Sep-22 Q2 13-Oct-22, 21-Oct-22, 07-Dec-22, 08-Dec-22, 10-Dec-22 and 23-Dec-22 Q3 12-Mar-23, 24-Mar-23 and 30-Mar-23 Q4 06-Apr-23, 07-Apr-23 and 09-Jun-23	G2	R0,00	N/A	N/A	Reports and Attendance Register

## Local Economic Development

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2021/2022 ACTUAL		2022/2023 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							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 3 Agricultural projects by 31 March 2022	3 projects have been assisted in 2021/2022	Assist 2 Agricultural projects by 31 March 2023	10 cooperatives were assisted with 100 goats. Each Cooperative received 10 goats by the 31 <sup>st</sup> of March 2023	B	R300 000,00	N/A	N/A	Handover report
Community Services	Number of SMME Database 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 2022	Database was updated on an annual basis during 2021/2022	table 1 SMME Database to council for adoption by 31 March 2023	There was no SMME Database tabled to council for adoption by 31 March 2023	R	R0,00	It was tabled to EXCO and it was deferred back to management for further updates.	It will be tabled to council for adoption in the next financial year once it has been updated by management.	Database and Minutes and attendance for council meeting

## Municipal Financial Viability

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2021/2022 ACTUAL		2022/2023 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							Target	Actual	Target	Actual	R				
Finance Services	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	Municipality collect R12 00000 during 2021/2022 Financial Year	Municipality collected R47 745894,60 during 2021/2022 Financial year	collect R30 000 000 of our own Municipal revenue by the 30 June 2023	a total of R42 882 142,25 of our own Municipal revenue was collected by the 30 <sup>th</sup> of June 2023	B	R0,00	N/A	N/A	Income Report

Technical Services	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 2022	100% of Capital Expenditure was spent	Spend 100 % Capital Expenditure by 30 June 2023	99.42% (R44 234 495.34) of Capital Expenditure was spent by 30 June 2023	●	R 44 234 495.34	The portion of 0.58% (R256 504.66) for manager PMU was declined by Cogta	we will be applying for a roll over to treasury	MIG Expenditure report
Finance Services	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 2022	9 Reports on bids awarded from the value of R100000 were submitted to council	Submit 4 reports on bids awarded from the value of R 100 000,00 to council by 30 June 2023	4 reports on bids awarded from the value of R 100 000,00 were submitted to council on following dates. Q1 29-Sep-22, Q2 19-Dec-22, Q3 30-Mar-23 and Q4 29-Jun-23	●	R0,00	N/A	N/A	Report on bids awarded, Minutes and Attendance Register for the council
Finance Services	Number of AFS 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 2021	The Annual Financial Statements were submitted to Auditor General on the 31st of October 2021	Submit 1 Annual Financial Statements to Auditor-General by 31 August 2022	1 Annual Financial Statements were submitted to Auditor-General by 31 August 2022	●	R0,00	N/A	N/A	Financial Statements Acknowledgement of receipt from AG
Finance Services	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 2022	The Midterm Budget Performance Assessment Report was submitted to Council on the 27th of January 2022	submit 1 Mid-Term Budget and Performance Assessment Report to council by 25 January 2023	1 Mid-Term Budget and Performance Assessment Report was submitted to council on the 23 <sup>rd</sup> of January 2023	●	R0,00	N/A	N/A	Minutes of the meeting, attendance register, council resolution
Finance Services	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	Submit 12 Section 71 Reports to Provincial Treasury within 10 working days after the end of each month	12 Section 71 Reports was submitted to Provincial Treasury within 10 working days after the end of each month	●	R0,00	N/A	N/A	Acknowledgement of receipt from Provincial Treasury
Finance Services	Number of Annual Budgets	MFMA Compliance	Municipal Financial Viability	To ensure financially viable and	Improve expenditure	D3	2022/2023 Annual Budget to be approved	The Final Budget for 2022/2023	2023/2024 Annual Budget to be	2023/2024 Annual Budget was	●	R0,00	N/A	N/A	Minutes of the meeting,

	approved by council			sustainable municipality	management and SCM		by Council by 31 May 2022	financial year was approved by the Council on the 26th of May 2022	approved by council by 30 May 2023	approved by council on the 29th of May 2023				attendance register, resolution	
Finance Services	Number of Fixed Asset Registers updated	Asset Management Strategy	Municipal Financial Viability	To ensure financially viable and sustainable municipality	Improve Asset Management	D4	update 1 Fixed Asset Register by 31st of August 2021	The FAR was updated on the 31st of August 2021	update 1 Fixed Asset Register by 31st of August 2022	1 Fixed Asset Register was updated on the 31st of August 2022	G	R0,00	N/A	N/A	Updated Fixed Asset Register
Corporate Services	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 2022	4 Fleet Management Report were submitted to Council by 30 June 2022	Submit 4 Fleet Management Reports to Council by 30 June 2023	4 Fleet Management Reports were submitted to Council on following dates. Q1 29-Sep-22, Q2 19-Dec-22, Q3 30-Mar-23 and Q4 29-Jun-23	G	R0,00	N/A	N/A	Reports and Minutes of the Council Meeting and Attendance register

## Good Governance and Public Participation

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	2021/2022 ACTUAL		2022/2023 ACTUAL			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							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 156 Ward Committee meetings by 30 June 2022	105 Ward Committee Meetings were coordinated	Coordination of 204 Ward Committee meetings by 30 June 2023	210 Ward Committee meetings were coordinated by 30 June 2023	B	R0,00	N/A	N/A	Minutes of meetings Attendance registers

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	hold 4 Audit Committee meetings by 30 June 2022	4 Audit Committee meetings were held	hold 4 Audit Committee meetings by 30 June 2023	7 Audit Committee meetings were held on the following dates 25-Aug-22, 29-Aug-22, 18-Oct-22, 06-Dec-22, 20-Jan-23, 16-Mar-23 and 31-May-23	G2	R 160 000,00	N/A	N/A	Minutes of Audit Committee meetings Attendance register
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 2022	3 Audit Committee Reports were submitted to Council	Submit 4 Audit Committee Reports to Council by 30 June 2023	2 Audit Committee Reports were submitted to Council on the 30 <sup>th</sup> of September 2022 and 30 <sup>th</sup> of March 2023	G	R 0,00	N/A	N/A	Minutes of Council meeting Attendance register
Office of the Municipal Manager	Number of draft Risk Management Framework submitted to Council and approved	Improved Audit Opinion	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Strengthen Corporate governance	E2	submit 1 draft 2022/2023 Risk Management Framework to Council for approval by 30 June 2022	A draft 2022/2023 Risk Management Framework is in place	submit 1 draft 2023/2024 Risk Management Framework to Council for approval by 30 June 2023	1 draft 2023/2024 Risk Management Framework was submitted and approved by Council on the 29 <sup>th</sup> June 2023	G	R 0,00	N/A	N/A	Minutes of Council meeting Attendance register
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 2022	11 ExCo Meetings were held	Hold 12 Executive Committee (ExCo) meetings by 30 June 2023	12 Executive Committee (ExCo) meetings were held on the following dates. Q1 27-07-22, 24-08-22 and 20-09-22 Q2 13-10-22, 19-12-22 Q3 23-01-23, 24-01-23, 24-02-23 and 22-03-23 Q4 25-04-23, 24-05-23 and 19-06-23	G	R 0,00	N/A	N/A	Minutes and Attendance Registers

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 2022	39 Portfolio Committee Meetings were held	Hold 48 Portfolio Committee meetings by 30 June 2023	42 Portfolio Committee meetings by 30 June 2023	O	R0,00	The meeting did not meet quorum	We will hold a workshop to advise members on the importance of attending meetings	Minutes and Attendance Registers
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 2022	3 MPAC meetings were held	Hold 4 MPAC meetings by 30 June 2023	5 MPAC meetings were held on following dates, 23-Aug-22, 21-Sep-22, 10-Feb-23, 22-Mar-23 and 13-Jun-23	B	R0,00	N/A	N/A	Minutes and Attendance Registers
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 2022	11 Council meetings were held	Hold 4 Council meetings by 30 June 2023	17 Council meetings were held by the 30th June 2023	B	R0,00	N/A	N/A	Minutes and Attendance Registers
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 2022	3 Communications Unit Reports were submitted to Council by 30 June 2022	Submit 4 Communications Unit Reports to Council by 30 June 2023	1 Communication Unit Reports were submitted to Council on the 19th of December 2022	R	R0,00	communications manager position was vacant	Communications Manager will be appointed in the next going forward we will ensure that all quarterly reports are submitted on time to Council.	Minutes and Attendance Registers
Office of the Municipal Manager	Number of IDPs adopted by council	Credible IDP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve Municipal Planning	E4	adopt 2022/2023 IDP by Council by 30th of June 2022	2022/2023 IDP was adopted on the 30th of June 2022	adopt 1 2023/2024 IDP by Council by 30th of June 2023	1 2023/2024 IDP was adopted by Council on the 29th of May 2023	G2	R 370 000,00	N/A	N/A	Minutes of Public Participation meetings and Attendance Registers  Minutes of Council meeting Council

														Resolution Attendance register	
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	submit 1 Report 2021/2022 IDP Process Plan Implementation for presentation to council by 30 June 2022	1 2021/2022 IDP Process Plan Implementation have been submitted and presented to Council	submit 2 Report 2022/2023 IDP Process Plan Implementation for presentation to council by 30 June 2023	2 Report 2022/2023 IDP Process Plan Implementation was submitted to council for presentation on the 29th of May 2023 and 30th of March 2023	G	R0,00	N/A	Minutes of Council meeting Attendance register	
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	hold 4 Quarterly IDP Rep Forum meetings	2 IDP Rep Forum meetings were held on the 2021/2022 Financial Year	hold 4 Quarterly IDP Rep Forum meetings by 30 June 2023	2 IDP Representatives forums took place during 2022-23 financial year	O	R370 000,00	The IDP Representatives Forum meetings did not sit due to poor attendance by the stakeholders.	Arrangement of the sittings for the IDP Rep Forum meetings to be held during the next financial period.	Minutes of meeting Attendance register
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	Conduct 2 Strategic Planning Sessions by the 30th of June 2022	1 strategic Planning Session was conducted	Conduct 2 Strategic Planning Sessions by the 30th of June 2023	1 Strategic Planning Sessions was conducted by the 27th of February 2023	R	R300 000,00	There was no Strategic Planning Sessions conducted	The Strategic Planning Session Report Attendance Register	Strategic Planning Session Report Attendance Register
Office of the Municipal Manager	Turnaround time for submission of 2023/2024 SDBIP for adoption after budget approval	SDBIP	Good Governance and Public Participation	To provide a democratic and accountable government for local communities	Improve organizational planning	E4	Submit 2022/2023 SDBIP to the Mayor within 28 days after the approval of the final budget	2022/2023 was approved by the mayor by the 23rd of June 2022	Submit 2023/2024 SDBIP to the Mayor within 28 days after the approval of the final budget	2023/2024 SDBIP was submitted to the mayor on the 22nd of June 2023 which was within 28 days after the approval of the final budget	G	R0,00	N/A	N/A	Acknowledgement of receipt from the mayor Signed SDBIP

## Cross Cutting Intervention

Responsible Directorate	KPI Name	Strategy	Municipal KPA	Goals	Objective	IDP Reference	Actual 2021/2022		Actual 2022/2023			BUDGET	PERFORMANCE COMMENT	CORRECTIVE MEASURES	POSSIBLE MEANS OF VERIFICATION
							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	Hold 3 LAC meetings by the 30 <sup>th</sup> of June 2022	1 LAC meetings have been held in 2021/2022	Hold 4 LAC meetings by the 30 <sup>th</sup> of June 2023	4 LAC meetings were held on the 30 <sup>th</sup> of September 2022, 29 <sup>th</sup> of November 2022, 28 <sup>th</sup> of March 2023, and 27 <sup>th</sup> of June 2023	G	R40 000,00	N/A	N/A	Minutes of LAC meeting Attendance register
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 8 LTT meetings by 30 June 2022	2 LTT Meetings were held	Hold 11 LTT meetings by 30 June 2023	9 LTT meetings were held by the 30 <sup>th</sup> of June 2023	R	R200 000,00	The LTT structure was not elected which resulted to the LTT not to be launched.	We will make sure that all meetings are held. The LTT structure was launched in September 2022	Minutes of LTT meeting Attendance register
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	host 1 Siyabonga Sangweni festival by 31 <sup>st</sup> September 2021	1 Siyabonga Sangweni festival was hosted during 2021/2022	host 1 Siyabonga Sangweni festival by 31 <sup>st</sup> September 2022	Siyabonga Sangweni festival did not take place during this financial period 2022/2023	R	R 1700 000,00	The festival did not take place due to financial constrains	we will host the festival in quarter one during the next financial period	Report on the Siyabonga Sangweni Youth Month Festival
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	New Project		host 3 Salga games by 31 December 2022	3 Salga game was hosted on the 08 <sup>th</sup> to 09 <sup>th</sup> of October 2022, 15 <sup>th</sup> of October 2022 and 08 <sup>th</sup> to 11 <sup>th</sup> of December 2022	G	R 30 000,00	N/A	N/A	Reports and Attendance Registers

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 2 Indigenous games by 30 September 2021	Indigenous games were cancelled in the 2021/2022 FY	host 4 indigenous games by the 31 December 2022	2 indigenous games were held by the 31 December 2022	R	R235 000,00	it was postponed by national structure	it will be held during the next financial year	Report on the indigenous games
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 2022	Arts and Culture programmes were cancelled	host 5 Arts & Culture programmes by 31 March 2023	5 Arts & Culture programmes were held on the 02 <sup>nd</sup> and 03 <sup>rd</sup> of April 2023, 30 <sup>th</sup> of May 2022, 25 December 2022 and 11 <sup>th</sup> June 2023	G	R500 000,00 R 758 700,00	N/A	N/A	Report on the Arts and Culture programme Attendance register
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 1 Men's programmes by 30 June 2022	1 Men's programme was held by the 30 June 2022	Hold 3 Men's programmes by 30 June 2023	1 Men's programme was held by 30 June 2023	R	R 295 000,00	it was postponed by men's forum	it will be held during the next financial year	Report on Men's programmes Attendance register
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 2022	Minister's programmes were cancelled	host 2 Minister's programmes by 31 December 2022	2 Minister's programmes were held on the 23 <sup>rd</sup> of March 2023 and 23-27 of January 2023	G	R 50 000,00	N/A	N/A	Report on Minister's programmes Attendance Registers
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 2022	No Disability Programme was hosted	Host 2 Disability programmes by 31 December 2022	2 Disability programme was held on the 07 <sup>th</sup> of October 2022 and 17 <sup>th</sup> of November 2022	G	R 308 200,00	N/A	N/A	Report on Disability programmes Attendance Registers
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	New Project		host 4 Children's Programmes by 30 June 2023	2 Children's Programmes were held on the 20 <sup>th</sup> of December 2022 and 08 <sup>th</sup> of June 2023	R	R 75 000,00	2 children's Programmes were postponed	They will be held in the next financial period	Reports and Attendance Registers

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 2021	1 Senior Citizens Programme was hosted	Hold 4 Senior Citizens programmes by 31 December 2022	3 Senior Citizens programme was held on the 12 <sup>th</sup> to 14 <sup>th</sup> of October 2022, 21 <sup>st</sup> December 2022	O	R 518 300,00	There were financial constrains which resulted to the target not being achieved	The Golden games will be held During quarter 1 in the next financial period.	Reports and Attendance Registers
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	host 1 traditional healers programme by 31 December 2022	1 Traditional Healers Programme was hosted	host 2 traditional healers programme by 31 December 2022	1 traditional healers programme was hosted on the 15 <sup>th</sup> of November 2022	R	R240 000,00 R 238 700,00	The was no structure in place as a result we only managed to host 1 event	We will make sure that all programmes are held on time. The structure was launched in November 2022	Reports and Attendance Registers

## Overall Summary of Results

R	KPI Not Met
O	KPI Almost Met
G	KPI Met
G2	KPI Well Met
B	KPI Extremely Well Met

## 11. CONCLUSION

The Final Annual Performance report of the uMfolozi local municipality was meticulously prepared in accordance with Section 46 of the Municipal Systems Act. It underwent rigorous quality assurance by Internal Auditors and the Audit Committee, incorporating all recommendations. The report was further revised based on the valuable input of the Auditor General and CoGTA, resulting in the comprehensive and 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**

*Rwanda-Mbenansi*  
Signed at..... by the 21... day of November .. 2023

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

### INTRODUCTION

**Staff compliment**- the municipality as at 30 June 2022 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 2022.

**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 2022/2023.

**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 review. 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	2021/2022					2022/2023				
	No. of Employees	Approved posts	No. of Employees	No. of Vacancies	Vacancy rate (%)	No. of Employees	No. of Vacancies	No. of Vacancies	Vacancy rate (%)	
<b>Section 54/56</b>	4	5	4	1	25					
<b>Technical Services</b>	20	23	20	3	15					
<b>Executive &amp; Council</b>	21	31	14	7	50					
<b>Waste Management</b>	15	20	13	7	53.8					
<b>Financial Services</b>	19	19	18	1	5.6					
<b>Planning</b>	3	5	3	2	66.7					
<b>Local Economic Development</b>	2	2	1	1	100					
<b>Community Services</b>	32	59	39	20	51.3					
<b>Safety &amp; Security(Traffic unit)</b>	29	39	21	18	85.7					
<b>Sports &amp; Recreation</b>	1	1	1	0	0					
<b>Corporate Services</b>	14	26	14	12	85.7					
<b>TOTAL</b>	160	230	148	72	48.6					

**Vacancy Rate: 2022/2023**

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%
<b>Total</b>	<b>230</b>	<b>72</b>	<b>31%</b>

**Turn-over Rate**

Details	Total Appointments as of the beginning of 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 2023, 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 2022/2023.

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 2022/2023 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			

<b>Temporary total disablement</b>	16	1			
<b>Permanent disablement</b>	0	0			
<b>Fatalities</b>	0	0			
<b>Total</b>	29	4			

<b>Number of days and cost of sick leave (excluding injuries on duty)</b>			
<b>Salary band</b>	<b>Total sick leave (Days)</b>	<b>Proportion of sick leave without medical certificate (%)</b>	<b>Total employees in post (Number)</b>
<b>Lower skilled (Levels 1-2)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Skilled (Levels 3- 5)</b>	<b>122</b>	<b>7</b>	<b>23</b>
<b>Highly skilled production (6- 8)</b>	<b>153</b>	<b>10</b>	<b>25</b>
<b>Highly skilled supervision (levels 9-12)</b>	<b>631</b>	<b>12</b>	<b>70</b>
<b>middle management (levels 13- 17)</b>	<b>177</b>	<b>5</b>	<b>14</b>
<b>MM and s56</b>	<b>20</b>	<b>2</b>	<b>5</b>
<b>Total</b>	<b>1103</b>	<b>36</b>	<b>137</b>

## 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 2022/2023 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 2023													
	Learnerships			Skills programmes & other short Courses			Other forms of trainings Bursary			Total			
	Actual: End of 2018/19	Actual: End of 2019/20	2020/21Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21Target	Actual: End of 2018/19	Actual: End of 2019/20	2020/21Target	
<b>s56, Legislators</b>	11	7	5	0	0	0	33	35	35	33	35	35	
<b>Senior officials and managers</b>	2	2	2	11	6	2	16	14	10	29	22	8	
<b>Technicians and associate professional (Registered with professional Associate Body)</b>	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Professionals</b>	1	0	1	13	11	5	0	0	0	14	11	10	
<b>Semi-skilled</b>	2	3	2	24	9	6	0	0	0	26	12	5	
<b>Unskilled</b>	0	0	9	5	0	5	0	n/a	n/a	5	0	10	
<b>Total</b>	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 2023											
		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
<b>Total</b>	<b>170</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>48</b>	<b>48</b>	<b>67</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>78</b>	<b>77</b>	<b>52</b>

	Employees at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development: 2020/21								Total	
		Learnership		Skills Programmes and other shorts courses		Other form of training					
		Number	Original budget	Actual	Original budget	Actual	Original budget	Actual	Original budget	Actual	Original budget
Legislators	33	N/A	N/A	R300 000	R0.00	0	0	R3 00 00	R300 000	R3 00 00	R300 000
Employees	168	N/A	N/A	R400 000	R52 000			R 137 000	R137 000	R 137 000	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	R500 000	0
Top Archivers	10	0	0	0	0	R170 000	0	R170 000	0	R170 000	0
<b>Total</b>		0	0	R700 000	R52 000	R970 000	R 305 000	R 305 000	R137 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))]
<b>Financial Officials</b>						
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
<b>Supply Chain Management Officials</b>						
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

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

<b>Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation</b>				
<b>Occupation</b>	<b>Number of employees</b>	<b>Job Evaluation Level</b>	<b>Remuneration Level</b>	<b>Reason for Deviation</b>
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		

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

## CHAPTER 5 - FINANCIAL PERFORMANCE

### Component A: Statements of Financial Performance

#### 5.1. Statements of Financial Performance



**UMFOLOZI LOCAL MUNICIPALITY  
(REGISTRATION NUMBER :KZN281)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## General Information

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### Country of incorporation and domicile

South Africa

### 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)

### Mayoral committee

His Excellency Honourable Mayor  
Deputy Mayor  
Former Deputy Mayor  
Speaker  
Chief Whip

Cllr. X.M. Bhengu  
Cllr. T.M. Biyela  
Cllr. N.N. Gumede (Terminated: December 2022)  
Cllr. MM Mthiyane  
Cllr. C Makhunga

### Councillors of Municipal Council

Councillor	G.M. Khumalo
Councillor	M.N. Nxumalo
Councillor	B.T. Ntombela (EXCO Member)
Councillor	N.S. Ngubane (EXCO Member)
Councillor	T.Z. Mdhletshe
Councillor	S.G Mthethwa
Councillor	B.V Mhlongo
Councillor	P.M. Gumbi
Councillor	T. Ndimande
Councillor	A.M. Mtshali
Councillor	K.S.C Xaba
Councillor	N. Conco
Councillor	B.P. Sithole
Councillor	S.E. Sibya
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
Councillor	S.S Gazu
Councillor	S.M. Shabangu
Councillor	M. Shabalala
Councillor	A.S Msibi

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## General Information

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Councillor	S.Z Mtetwa (MPAC)
Councillor	ES Mthethwa (Appointed: 2022/08/03)
Councillor	K. Mlambo (Appointed: 2022/12/01)
Councillor	S.P. Mpanza (EXCO member)
<b>Grading of local authority</b>	Grade 1
<b>Accounting Officer</b>	Mr L.S. Jili
<b>Chief Finance Officer (CFO)</b>	Mr. Z.J Ndlovu
<b>Registered office</b>	25 Bredelia Street Kwa-Mbonambi 3915
<b>Business address</b>	25 Bredelia Street Kwa-Mbonambi 3915
<b>Postal address</b>	P.O Box 96 Kwa-Mbonambi 3915
<b>Bankers</b>	ABSA Bank Nedbank
<b>Auditor</b>	Auditor General of South Africa
<b>Legal Representatives</b>	Kloopers Incorporated
<b>Telephone</b>	(035) 580-1421
<b>Email Address (Accounting Officer)</b>	jilils@umfolozi.org.za

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Index

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	<b>Page</b>
Accounting Officer's Responsibilities and Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Statement of Comparison of Budget and Actual Amounts	9 - 17
Accounting Policies	18 - 33
Notes to the Annual Financial Statements	34 - 95

### **Abbreviations:**

GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
VAT	Value Added Taxation

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## **Accounting Officer's Responsibilities and Approval**

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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 accounting officer 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 2024 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 the following pages 1 to 95 , which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2023 and were signed on its behalf by:

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**Mr L.S. Jili**  
**Accounting Officer**

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Rand	Notes	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from Exchange transactions	4	1 969 054	1 719 143
Receivables from Non-Exchange Transactions	5	8 235 465	10 844 255
VAT receivable	6	7 701 766	6 062 627
Conditional Grants receivable	11	-	4 044 593
Cash and cash equivalents	7	32 863 046	21 760 836
		<b>50 769 331</b>	<b>44 431 454</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	396 232 082	388 975 088
Intangible assets	9	212 070	416 213
		<b>396 444 152</b>	<b>389 391 301</b>
<b>Total Assets</b>		<b>447 213 483</b>	<b>433 822 755</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	10	12 939 120	15 006 265
Unspent conditional grants and receipts	12	1 904 264	1 030 296
Other financial liabilities	13	1 033 918	1 008 799
Retentions	14	6 322 803	4 834 574
Employee benefit Obligation	15	291 000	275 000
Deferred revenue	24	727 018	-
		<b>23 218 123</b>	<b>22 154 934</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	13	2 638 228	3 482 375
Retentions	14	-	149 627
Employee benefit obligations	15	1 679 000	1 727 000
		<b>4 317 228</b>	<b>5 359 002</b>
<b>Total Liabilities</b>		<b>27 535 351</b>	<b>27 513 936</b>
<b>Net Assets</b>			
Accumulated surplus			
<b>Total Net Assets</b>		<b>419 678 132</b>	<b>406 308 819</b>
		419 678 133	406 308 820
		<b>419 678 133</b>	<b>406 308 820</b>

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Performance

Figures in Rand	Notes	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges		668 998	666 705
Rental of facilities and equipment	16	560 391	777 059
Licences and permits	17	304 181	328 438
Operational revenue	18	1 651 950	314 142
Interest revenue	19	3 939 637	2 294 336
<b>Total revenue from exchange transactions</b>		<b>7 125 157</b>	<b>4 380 680</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	20	27 099 047	25 634 672
Interest on outstanding receivables	21	1 120 545	1 064 392
<b>Transfer revenue</b>			
Government grants and subsidies	22	211 953 437	208 196 968
Fines, Penalties and Forfeits	23	480 226	535 276
Contract revenue	24	1 976 506	-
Donation income	25	2 031 998	1 010 143
<b>Total revenue from non-exchange transactions</b>		<b>244 661 759</b>	<b>236 441 451</b>
<b>Total revenue</b>	26	<b>251 786 916</b>	<b>240 822 131</b>
<b>Expenditure</b>			
Employee related costs	27	(77 460 661)	(73 743 163)
Remuneration of councillors	28	(13 257 082)	(12 197 381)
Depreciation, impairment loss and amortisation	29	(34 248 626)	(33 121 403)
Finance costs	30	(610 818)	(616 871)
Lease rentals on operating lease	31	(1 024 602)	(964 872)
Debt Impairment	32	(4 016 435)	(1 141 734)
Bad debts written off	33	(12 458 419)	-
Contract cost - INEP	24	(1 976 506)	-
Contracted services	34	(52 485 186)	(59 437 347)
Transfers and Subsidies	35	(4 602 825)	(822 847)
Operational costs	36	(48 031 387)	(47 504 289)
<b>Total expenditure</b>		<b>(250 172 547)</b>	<b>(229 549 907)</b>
<b>Operating surplus</b>			
Loss on disposal of municipal assets		<b>1 614 369</b>	<b>11 272 224</b>
Actuarial gains/(losses)	15	(142 881)	(87 122)
Reversal of impairments gains/(losses)	37	240 000	31 940
		11 657 825	-
<b>Surplus for the year</b>		<b>11 754 944</b>	<b>(55 182)</b>
		<b>13 369 313</b>	<b>11 217 042</b>

The accounting policies on pages 18 to 33 and the notes on pages 34 to 95 form an integral part of the annual financial statements.

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	394 247 230	394 247 230
Adjustments		
Prior year adjustments	844 548	844 548
<b>Balance at 01 July 2021</b>	<b>395 091 778</b>	<b>395 091 778</b>
Changes in net assets		
Surplus for the year	11 217 042	11 217 042
Total changes	11 217 042	11 217 042
<b>Restated* balance at 01 July 2022</b>	<b>406 308 820</b>	<b>406 308 820</b>
Changes in net assets		
Surplus for the year	13 369 313	13 369 313
Total changes	13 369 313	13 369 313
<b>Balance at 30 June 2023</b>	<b>419 678 133</b>	<b>419 678 133</b>

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		33 825 084	21 194 408
Grants		212 827 405	203 614 594
Interest income		5 060 182	3 358 728
Fines, Penalties and Forfeits		480 226	535 276
		<u>252 192 897</u>	<u>228 703 006</u>
<b>Payments</b>			
Employee costs		(91 303 611)	(85 554 718)
Suppliers		(109 149 863)	(101 644 630)
Finance costs		(405 818)	(616 871)
		<u>(200 859 292)</u>	<u>(187 816 219)</u>
<b>Net cash flows from operating activities</b>	38	<b><u>51 333 605</u></b>	<b><u>40 886 787</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(39 412 367)	(54 809 944)
Proceeds from sale of property, plant and equipment	8	-	1 170 743
<b>Net cash flows from investing activities</b>		<b><u>(39 412 367)</u></b>	<b><u>(53 639 201)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(819 028)	(738 043)
<b>Net cash flows from financing activities</b>		<b><u>(819 028)</u></b>	<b><u>(738 043)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>11 102 210</u></b>	<b><u>(13 490 457)</u></b>
Cash and cash equivalents at the beginning of the year		21 760 836	35 251 293
<b>Cash and cash equivalents at the end of the year</b>	7	<b><u>32 863 046</u></b>	<b><u>21 760 836</u></b>

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Difference in percentage (%)	Reference
<b>Statement of Financial Performance</b>							
<b>Revenue</b>							
<b>Revenue from exchange transactions</b>							
Service charges	767 000	(100 000)	<b>667 000</b>	668 998	(1 998)	0.3%	
Rental of facilities and equipment	871 000	(200 000)	<b>671 000</b>	560 391	<b>110 609</b>		
Licences and permits	212 000	213 000	<b>425 000</b>	304 181	<b>120 819</b>		
Operational revenue	214 000	2 000	<b>216 000</b>	1 651 950	(1 435 950)	224%	1
Interest received - investment	1 912 000	283 000	<b>2 195 000</b>	3 939 637	(1 744 637)	79%	2
<b>Total revenue from exchange transactions</b>	<b>3 976 000</b>	<b>198 000</b>	<b>4 174 000</b>	<b>7 125 157</b>	<b>(2 951 157)</b>		
<b>Revenue from non-exchange transactions</b>							
<b>Taxation revenue</b>							
Property rates	29 928 000	(1 534 000)	<b>28 394 000</b>	27 099 047	<b>1 294 953</b>		
Interest on outstanding receivables	1 272 000	-	<b>1 272 000</b>	1 120 545	<b>151 455</b>		
<b>Transfer revenue</b>							
Government grants and subsidies	174 250 000	750 000	<b>175 000 000</b>	171 763 535	<b>3 236 465</b>		
Fines, Penalties and Forfeits	453 000	-	<b>453 000</b>	480 226	(27 226)	5%	
Contract revenue	-	-	-	1 976 506	<b>1 976 506</b>	100%	9
Donation income	-	-	-	2 031 998	(2 031 998)	100%	3
<b>Total revenue from non-exchange transactions</b>	<b>205 903 000</b>	<b>(784 000)</b>	<b>205 119 000</b>	<b>204 471 857</b>	<b>4 600 155</b>		
<b>Total revenue excluding Capital Transfers and contributions)</b>	<b>209 879 000</b>	<b>(586 000)</b>	<b>209 293 000</b>	<b>211 597 014</b>	<b>1 648 998</b>		
<b>Expenditure</b>							
Employee related costs	(83 651 000)	3 853 000	<b>(79 798 000)</b>	(77 460 661)	<b>(2 337 339)</b>		
Remuneration of councillors	(12 958 000)	(263 000)	<b>(13 221 000)</b>	(13 257 082)	<b>36 082</b>	0.2%	

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

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Depreciation and asset impairment	(18 329 000)	-	<b>(18 329 000)</b>	(34 248 626)	<b>15 919 626</b>	86%	4
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# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## 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
<b>Figures in Rand</b>							
Finance costs	(445 000)	-	(445 000)	(610 818)	165 818	37%	5
Lease rentals on operating lease	-	-	-	(1 024 602)	1 024 602	100%	6
Debt Impairment	(2 189 000)	476 000	(1 713 000)	(4 016 435)	2 303 435	134%	
Bad debts written off	-	-	-	(12 458 419)	12 458 419	100%	7
Contract costs - INEP	-	-	-	(1 976 506)	1 976 506	100%	9
Contracted Services	(47 580 000)	(1 212 000)	(48 792 000)	(52 485 186)	3 693 186	7%	
Transfers and Subsidies	(2 769 000)	210 000	(2 559 000)	(4 602 825)	2 043 825	79%	8
Operational Costs	(40 781 000)	(2 163 000)	(42 944 000)	(48 031 387)	5 087 387	16%	9
<b>Total expenditure</b>	<b>(208 702 000)</b>	<b>901 000</b>	<b>(207 801 000)</b>	<b>(250 172 547)</b>	<b>42 371 547</b>		
<b>Operating deficit</b>	<b>1 177 000</b>	<b>315 000</b>	<b>1 492 000</b>	<b>(38 575 533)</b>	<b>(40 067 533)</b>		
Loss on disposal of municipal assets	-	-	-	(142 881)	142 881	100%	10
Reversal of Impairment gain/(loss)	-	-	-	11 657 825	(11 657 825)	100%	11
Actuarial gains/losses	-	-	-	240 000	(240 000)	100%	12
Transfers and subsidies -capital (Monetary calculations National/Provincial/District)	28 016 000	14 250 000	42 266 000	40 189 902	2 076 098	4%	
	<b>28 016 000</b>	<b>14 250 000</b>	<b>42 266 000</b>	<b>51 944 846</b>	<b>(9 678 846)</b>		
<b>Surplus for the year</b>	<b>29 193 000</b>	<b>14 565 000</b>	<b>43 758 000</b>	<b>13 369 313</b>	<b>(30 388 687)</b>		

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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### 1. Operational Revenue

This is due to revenue from the insurance claim of R248 648 received as result of the fire that broke out at Nzialabantu community hall. Recognition of long overdue retention for Maduna Project of R149 627.

### 2. Interest received - Investment

The municipality during the current year under review opened on a quarterly basis a fixed deposit investment account which it earned additional interest that was deposited back into the Nedbank investment account.

### 3. Donation Income

Donations of a community centre from Transnet received on 1 March 2023 not budgeted for.

### 4. Depreciation, impairment loss and amortisation

Variance is due to the impairment loss not being budgeted for, and also the capitalisation of material projects that resulted in an increase in depreciation.

### 5. Finance Costs

Variance is due to the interest incurred in the with the valuation of Grap 25 at the end of financial year

### 6. Rentals on operating lease

Rentals on operating leases were not budgeted for in the 2022/2023 financial year.

### 7. Bad debts written-off

Bad debt writ-off not budgeted for in the 2022/2023 financial year.

### 8. Transfers and subsidies

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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The difference is due to additional councillor donations that resulted from the natural disaster within the municipality demarcation during the current financial year

### 9. Operational costs

The municipality received INEP grant for the 2022/2023 which brought upon unforeseen expenditure in terms of attributable construction costs recognised in terms of the National Treasury INEP grant allocation guidelines issued in July 2023. There is also a significant increase in the advertising and publicity expenditure resulting from additional advertisement of vacant posts of senior managers in addition to the staff vacancies and purchases of protective clothing

### 10. Loss on disposal of municipal assets

Loss on disposal of municipal assets were not budgeted for in the current financial year.

### 11. Reversal of impairment gains

Reversal of impairment gains were not budgeted for in the current financial year.

### 12. Actuarial gains

Actuarial gains were not budgeted for in the current financial year

### 13. Debt Impairment

The difference was due to the municipality anticipating to recover more revenue from customers as an incentive of 50% discount on payment of the full debtors outstanding balances was given by the municipality to all consumers for the financial year under review.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Receivables from Exchange transactions	22 970 000	(23 727 000)	(757 000)	1 969 054	2 726 054	-176% 14
VAT receivable	-	-	-	7 701 766	7 701 766	100% 15
Receivables from Non-Exchange Transactions	9 403 000	15 040 000	24 443 000	8 235 465	(16 207 535)	
Cash and cash equivalents	28 638 000	162 098 000	190 736 000	32 863 046	(157 872 954)	
	<b>61 011 000</b>	<b>153 411 000</b>	<b>214 422 000</b>	<b>50 769 331</b>	<b>(163 652 669)</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	400 878 000	10 498 000	411 376 000	396 232 082	(15 143 918)	
Intangible assets	1 667 000	(1 462 000)	205 000	212 070	7 070	93% 16
	<b>402 545 000</b>	<b>9 036 000</b>	<b>411 581 000</b>	<b>396 444 152</b>	<b>(15 136 848)</b>	
<b>Total Assets</b>	<b>463 556 000</b>	<b>162 447 000</b>	<b>626 003 000</b>	<b>447 213 483</b>	<b>(178 789 517)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Other financial liabilities	1 224 000	(215 000)	1 009 000	1 033 918	24 918	2% 17
Payables from exchange transactions	19 925 000	(8 541 000)	11 384 000	12 939 120	1 555 120	14% 18
Unspent conditional grants and receipts	-	-	-	1 904 264	1 904 264	100% 19
Retentions	-	-	-	6 322 803	6 322 803	100% 20
Employee benefit Obligation	-	-	-	291 000	291 000	100% 21
Deferred revenue	-	-	-	727 018	727 018	100%
	<b>21 149 000</b>	<b>(8 756 000)</b>	<b>12 393 000</b>	<b>23 218 123</b>	<b>10 825 123</b>	

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Non-Current Liabilities</b>						
Other financial liabilities	2 686 000	18 000	<b>2 704 000</b>	2 638 228	(65 772)	
Provisions	-	2 002 000	<b>2 002 000</b>	-	(2 002 000)	
Employee benefit obligations	-	-	-	1 679 000	<b>1 679 000</b>	100% 20
	<b>2 686 000</b>	<b>2 020 000</b>	<b>4 706 000</b>	<b>4 317 228</b>	<b>(388 772)</b>	
<b>Total Liabilities</b>	<b>23 835 000</b>	<b>(6 736 000)</b>	<b>17 099 000</b>	<b>27 535 351</b>	<b>10 436 351</b>	
<b>Net Assets</b>	<b>439 721 000</b>	<b>169 183 000</b>	<b>608 904 000</b>	<b>419 678 132</b>	<b>(189 225 868)</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	439 721 000	5 564 000	<b>445 285 000</b>	419 678 133	<b>(25 606 867)</b>	

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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### 14. Receivables from exchange transactions

The variance of -176% which is below the 10% variance is due to an mSCOA budget template that erroneously reflected the budgeted as an liability on receivables, the actual amount vs budget amount is thus not above what was budgeted for by the municipality.

### 15. VAT Receivables

VAT receivables was not budgeted for in the current financial year

### 16. Intangible Assets

Variance due to additional software bought for new laptops for councillors and senior managers.

### 17. Payables from exchange transactions

Variance is due to the municipality not anticipating to incur balances in terms of unallocated deposits and debtors with credit balances at the end of the financial year.

### 18. Unspent conditional grants and receipts

Unspent grant was not budgeted for by the municipality, as initial anticipation is to spend total grants allocation, and also due to the fact that the unspent grants are to possibly be refunded to treasury based on the response on the application of the roll over of unspent grants.

### 19. Retentions

Retentions was not budgeted for in the current financial year.

### 20. Employee benefit obligation

Variance is due to the year end valuation in terms of Grap 25 not budgeted for by the municipality.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## 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
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	42 123 000	(742 000)	<b>41 381 000</b>	33 825 084	<b>(7 555 916)</b>	
Grants	205 266 000	15 321 000	<b>220 587 000</b>	212 827 405	<b>(7 759 595)</b>	
Interest income	2 548 000	(353 000)	<b>2 195 000</b>	5 060 182	<b>2 865 182</b>	130%
Fines, Penalties and Forfeits	-	-	-	480 226	<b>480 226</b>	100%
	<b>249 937 000</b>	<b>14 226 000</b>	<b>264 163 000</b>	<b>252 192 897</b>	<b>(11 970 103)</b>	
<b>Payments</b>						
Employee costs	(93 019 000)	-	<b>(93 019 000)</b>	(91 303 611)	<b>1 715 389</b>	
Suppliers	(110 893 000)	188 000	<b>(110 705 000)</b>	(109 149 863)	<b>1 555 137</b>	
Finance costs	(445 000)	-	<b>(445 000)</b>	(405 818)	<b>39 182</b>	
	<b>(204 357 000)</b>	<b>188 000</b>	<b>(204 169 000)</b>	<b>(200 859 292)</b>	<b>3 309 708</b>	
<b>Net cash flows from operating activities</b>	<b>45 580 000</b>	<b>14 414 000</b>	<b>59 994 000</b>	<b>51 333 605</b>	<b>(8 660 395)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(36 117 000)	(9 662 000)	<b>(45 779 000)</b>	(39 412 367)	<b>6 366 633</b>	

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Cash flows from financing activities</b>						
Repayment of other financial liabilities	(779 000)	-	(779 000)	(819 028)	(40 028)	5%
Net increase/(decrease) in cash and cash equivalents	8 684 000	4 752 000	13 436 000	11 102 210	(2 333 790)	
Cash and cash equivalents at the beginning of the year	19 955 000	1 806 000	21 761 000	21 760 836	(164)	
<b>Cash and cash equivalents at the end of the year</b>	<b>28 639 000</b>	<b>6 558 000</b>	<b>35 197 000</b>	<b>32 863 046</b>	<b>(2 333 954)</b>	

### 21. Interest income

Variance is due to the budget amount on cashflow statement only accounting for interest on investment and excludes budget amount on interest on outstanding debtors, variances are further detailed on the statement of financial performance under statement of comparison of budget and actual amounts.

### 22. Fine, Penalties and Forfeits

Variance is due to fines, penalties and forfeits not being budgeted for in the current year

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

Figures in Rand	Note(s)	2023	2022
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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 entity 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 municipal entity 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

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 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 goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand and interest.

#### 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 entity 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 entity 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 15.

#### Effective interest rate

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

#### 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.

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%.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 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 entity; 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, its 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.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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:

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Item	Depreciation method	Average useful life
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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

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 entity. 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 entity assesses at each reporting date whether there is any indication that the entity 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 entity 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 entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

### 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 entity 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 entity; and
- the cost or fair value of the asset can be measured reliably.

The entity 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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.6 Intangible assets (continued)

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:

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Item	Depreciation method	Average useful life
Computer software	Straight-line	2- 5 Years

Intangible assets are derecognised:

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

### 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.

#### 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..

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.8 Leases (continued)

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.

#### 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 Contract revenue

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.9 Contract revenue (continued)

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

### 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 entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

### 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.

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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.11 Employee benefits (continued)

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 municipality 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 municipality 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 municipality 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 municipality 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.

### 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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.12 Provisions and contingencies (continued)

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 entity 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 42.

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.

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;

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.12 Provisions and contingencies (continued)

- 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 an entity, 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.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

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 (Licence and Permits)

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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.15 Revenue from Exchange transactions (continued)

#### 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.

### 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.

- 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

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.16 Revenue from non-exchange transactions (continued)

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.

#### 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", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes—

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.20 Unauthorised expenditure (continued)

- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraphs (b), (c) or (d) of the definition of "allocation otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with this Act;

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.

Fruitless and wasteful 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).

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).

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

Segments 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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.23 Segment information (continued)

#### 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

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

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 2022 to 30 June 2023.

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.

### 1.25 Related parties

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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.25 Related parties (continued)

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.

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 nonexchange transactions.

Statutory receivables include:

- Taxes income tax, property rates
- Fines usually breach of law

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

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### 1.27 Statutory receivables identification (continued)

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.

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

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2022 is as follows:

Management do not have sufficient records relating to interest capitalised on plant and equipment to enable retrospective expensing of borrowing cost. For this reason the change in accounting policy is applied prospectively.

[If retrospective application is impracticable for a particular prior period, or for periods before those presented, disclose the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.]

The entity has not applied the new [name the standard or interpretation] issued, and effective for periods commencing . [Describe the new required treatment and the current treatment.] The estimated impact of the implementation of the new standard on the 2023 annual financial statements is as follows:

### 3. New standards and interpretations

#### 3.1 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 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
• GRAP 103 Heritage Assets	date to be determinedbythe Minister ofFinance	Unlikely there will be a material impact
• Amendments to GRAP 1: going concern issuedDecember2022	date to be determinedbythe Minister ofFinance	Unlikely there will be a material impact
• Improvements to Standards of GRAP (2021)	01 April 2023	Unlikely there will be a material impact
• IGRAP 21 on The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• Guideline on Accounting for Landfill Sites	01 April 2023	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

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

"misstated" over time. If the effect was considered material, retrospective adjustments were often made. This interpretation explains the nature of past materially decisions and their potential effect on current and subsequent reporting periods.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 3. New standards and interpretations (continued)

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 on 1 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.

Summary of amendments are:

The amendments clarify that:

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 entity 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 entity expects to adopt the amendment for the first time in the 2024/2025 annual 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 currently provided in the financial statements.

### 4. Receivables from Exchange transactions

Refuse	828 574	846 736
Provision for debt Impairment - refuse	(507 979)	(336 007)
Prepayments	585 324	1 119 414
Sundry receivables	144 196	-
Other receivables	829 939	-
Creditors with debit balances	89 000	89 000
	<b>1 969 054</b>	<b>1 719 143</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 4. Receivables from Exchange transactions (continued)

#### Refuse

Current (0-30 days)	84 749	30 203
31 - 60 days	25 131	24 736
61 - 90 days	18 998	17 683
91 - 120 days	18 956	17 297
121 - 365 days	680 740	756 817
	<b>828 574</b>	<b>846 736</b>

#### Sundry receivables

Current (0-30 days)	144 196	-
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#### Reconciliation of provision for impairment

Opening balance	336 007	330 674
Provision for debt impairment	171 972	5 333
	<b>507 979</b>	<b>336 007</b>

### 5. Receivables from Non exchange transactions

#### Gross balances

Property rates	19 049 479	18 236 924
Traffic Fines	920 864	12 133 139
	<b>19 970 343</b>	<b>30 370 063</b>

#### Less: Allowance for impairment

Property rates	(10 892 678)	(7 392 669)
Traffic Fines	(842 200)	(12 133 139)
	<b>(11 734 878)</b>	<b>(19 525 808)</b>

#### Net balance

Property rates	8 156 801	10 844 255
Traffic fines	78 664	-
	<b>8 235 465</b>	<b>10 844 255</b>

#### Property Rates

Current (0 -30 days)	976 178	922 469
31 - 60 days	2 089 687	780 621
61 - 90 days	1 267 819	2 432 893
91 - 120 days	326 302	357 987
121 - 365 days	10 592 346	10 472 496
	<b>15 252 332</b>	<b>14 966 466</b>

#### Interest

Current (0 -30 days)	70 871	92 035
31 - 60 days	99 749	94 457
61 - 90 days	97 675	89 318
91 - 120 days	97 839	87 213
121 - 365 days	3 431 013	2 907 435
	<b>3 797 147</b>	<b>3 270 458</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 5. Receivables from Non exchange transactions (continued)

#### Summary of property rates by customer classification

##### Residential

Current (0 -30 days)	208 198	155 560
31 - 60 days	97 006	109 138
61 - 90 days	249 207	94 019
91 - 120 days	79 453	86 494
121 - 365 days	3 790 722	4 010 581
	<b>4 424 586</b>	<b>4 455 792</b>

##### Commercial and Industrial

Current (0 -30 days)	843 894	859 386
31 - 60 days	742 498	751 920
61 - 90 days	1 056 372	366 727
91 - 120 days	325 114	346 688
121 - 365 days	8 661 548	8 118 701
	<b>11 629 426</b>	<b>10 443 422</b>

##### National and provincial government

Current (0 -30 days)	14 957	13 579
31 - 60 days	1 349 932	2 061 465
61 - 90 days	59 915	12 018
91 - 120 days	19 574	12 197
121 - 365 days	1 551 089	1 238 452
	<b>2 995 467</b>	<b>3 337 711</b>

##### Total

Current (0 -30 days)	1 067 049	1 028 524
31 - 60 days	2 189 436	2 922 523
61 - 90 days	1 365 494	472 764
91 - 120 days	424 141	445 379
121 - 365 days	14 003 359	13 367 734
	<b>19 049 479</b>	<b>18 236 924</b>
Less: Allowance for impairment	(10 892 678)	(7 392 669)
	<b>8 156 801</b>	<b>10 844 255</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 5. 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	19 049 479	18 236 924
Traffic fines	920 864	12 133 139
	<b>19 970 343</b>	<b>30 370 063</b>

Statutory receivable that are past due and impaired included in receivables from non-exchange transactions are as follows:

Property rates	(10 892 678)	(7 392 669)
Traffic fines	(842 200)	(12 133 139)
	<b>(11 734 878)</b>	<b>(19 525 808)</b>

Statutory receivables included in receivables from non-exchange transactions above are as follows, net of impairment:

Property rates	8 156 801	10 844 255
Fines	78 664	-
	<b>8 235 465</b>	<b>10 844 255</b>

#### 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.

### 6. VAT receivable

VAT	7 701 766	6 062 627
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#### VAT summary

Opening balance	6 062 627	7 976 042
Movement	1 639 139	(1 913 415)
	<b>7 701 766</b>	<b>6 062 627</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		10 200	1 310
Main Bank balance		3 196 093	(124 861)
Other Bank balances		29 656 753	21 884 387
		<b>32 863 046</b>	<b>21 760 836</b>

### The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
ABSA Bank- Account Type- Cheque- 40 5385 7155	3 196 093	(124 861)	185 344	3 196 093	(124 861)	185 344
ABSA Bank- Account Type- Traffic- 40 7854 4599	77 556	54 142	36 897	77 556	54 142	36 897
ABSA Bank- Account Type- INEP- 92 8652 5057	1 065	1 026	1 017	1 065	1 026	1 017
ABSA Bank- Account Type- MIG- 92 8651 3913	1 310	1 261	1 250	1 310	1 262	1 250
ABSA Bank- Account Type- EPWP - 92 861 3769	997	997	997	997	998	997
ABSA Bank- Account Type- FMG- 92 8652 5340	1 163	1 118	1 110	1 163	1 117	1 110
ABSA Bank- Account Type- MSIG- 92 8651 3028	1 435	1 380	1 370	1 435	1 380	1 370
ABSA Bank- Account Type- Call- 91 0739 9765	2 142	2 069	2 093	2 142	2 069	2 093
ABSA Bank- Account Type- Traffic- 40 6506 2322	21 025	24 619	3 036	21 025	24 620	3 033
ABSA Bank- 93 3848 2339	239 146	1 075 566	35 000 692	239 146	1 075 566	35 000 692
Nedbank Investmen- Account Type -1766000029	17 829 789	20 722 205	-	17 933 798	20 722 205	-
ABSA Bank - Reserve Account - 9374542719	11 377 116	-	-	11 377 116	-	-
<b>Total</b>	<b>32 748 837</b>	<b>21 759 522</b>	<b>35 233 806</b>	<b>32 852 846</b>	<b>21 759 524</b>	<b>35 233 803</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Property, plant and equipment

	2023		2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment
Land	16 742 853	-	16 742 853	16 742 853	-
Machinery and Equipment	5 765 227	(2 894 898)	2 870 329	5 673 385	(1 745 116)
Furniture and office Equipment	7 093 260	(4 032 354)	3 060 906	6 965 662	(3 128 722)
Computer Equipment	5 592 965	(2 435 590)	3 157 375	4 834 328	(1 640 676)
Road Infrastructure	180 040 815	(55 459 672)	124 581 143	154 039 068	(42 754 508)
Community Assets	183 744 478	(61 692 841)	122 051 637	176 655 284	(48 960 927)
Storm Water Infrastructure	4 242 074	(410 629)	3 831 445	3 028 547	(336 950)
Water Supply Infrastructure	28 646	(13 014)	15 632	28 646	(11 060)
Buildings	65 634 442	(18 603 540)	47 030 902	65 463 209	(15 801 532)
Work in Progress	60 807 011	(1 664 569)	59 142 442	55 692 908	(1 664 569)
Transport Assets	20 343 050	(8 211 039)	12 132 011	19 735 465	(5 858 974)
ICT Infrastructure	3 083 353	(1 467 946)	1 615 407	3 083 353	(1 064 586)
<b>Total</b>	<b>553 118 174</b>	<b>(156 886 092)</b>	<b>396 232 082</b>	<b>511 942 708</b>	<b>(122 967 620)</b>
					<b>388 975 088</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers In/out)	impairment loss	Donations	Depreciation	Total
Land	16 742 853	-	-	-	-	-	-	16 742 853
Machinery and Equipment	3 928 264	507 726	(141 999)	-	(870 565)	-	(553 097)	2 870 329
Furniture and office equipment	3 836 940	130 546	(237)	-	-	-	(906 343)	3 060 906
Computer Equipment	3 193 652	760 095	(365)	-	-	-	(796 007)	3 157 375
Road Infrastructure	111 284 560	102 516	-	25 747 840	(1 366 850)	-	(11 186 923)	124 581 143
Community Assets	127 694 357	-	-	5 057 196	(6 386 287)	2 031 998	(6 345 627)	122 051 637
Storm Water Infrastructure	2 691 597	-	-	1 213 527	(597)	-	(73 082)	3 831 445
Water Supply Infrastructure	17 586	-	-	-	-	-	(1 954)	15 632
Buildings	49 661 677	171 233	-	-	(413 246)	-	(2 388 762)	47 030 902
Work-in-Progress	54 028 339	37 132 666	-	(32 018 563)	-	-	-	59 142 442
Transport Assets	13 876 491	607 585	-	-	-	-	(2 352 065)	12 132 011
ICT Infrastructure	2 018 767	-	-	-	-	-	(403 360)	1 615 407
	<b>388 975 083</b>	<b>39 412 367</b>	<b>(142 601)</b>	<b>-</b>	<b>(9 037 545)</b>	<b>2 031 998</b>	<b>(25 007 220)</b>	<b>396 232 082</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

---

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers in/(out)	Donations	Depreciation	Impairment loss	Prior year adjustment	Total
Land	16 742 853	-	-	-	-	-	-	-	16 742 853
Machinery and Equipment	4 107 748	329 510	(78 048)	-	219 800	(650 746)	-	-	3 928 264
Furniture and Office Equipment	4 311 384	675 236	(216 491)	-	-	(933 189)	-	-	3 836 940
Computer Equipment	2 586 303	1 205 051	(41 376)	-	52 555	(608 881)	-	-	3 193 652
Road Infrastructure	98 494 262	52 644	-	24 186 044	-	(9 009 760)	(2 919 345)	480 715	111 284 560
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
Buildings	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)	(93 015)	54 028 339
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
	<b>366 996 703</b>	<b>54 809 944</b>	<b>(1 257 865)</b>	<b>-</b>	<b>1 010 143</b>	<b>(22 666 846)</b>	<b>(10 304 696)</b>	<b>387 700</b>	<b>388 975 083</b>

#### Pledged as security

There is no Property, plant and equipment pledged as security.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 8. Property, plant and equipment (continued)

#### Property, plant and equipment- Fully depreciated

The Municipality has thirty one assets (31) 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	2 889 560	2 949 319
Furniture and office equipment	55 722	56 851
Buildings	-	15 005
Road infrastructure	302 960	363 412
	<b>3 248 242</b>	<b>3 384 587</b>

#### 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

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.

439 131 439 131

##### 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 1 225 438

#### Carrying value of property, plant and equipment that is taking a longer period of the time to complete than expected.

##### Maqabaqabeni Access Road

The project has been delayed due to the poor performance by the contractor appointed at the beginning of the project. The Municipality ended up terminating the contract and appointed a new contractor to complete the project.

4 025 466 314 375

##### Security camera installation

The service provider was contracted for the installation of camera, biometrics, and metal detectors. The supplier has installed the camera's and delivered the biometric devices and metal detectors during September 2023; however the service provider has not installed the devices. Therefore the assets are not available for use.

990 000 990 000

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 8. Property, plant and equipment (continued)

#### Reconciliation of Work-in-Progress 2023

	Road Infrastructure	Community Assets	Machinery and Equipment	Storm Water Infrastructure	Total
Opening balance: Cost	14 558 727	38 479 642	990 000	-	54 028 369
Additions/capital expenditure	29 911 876	7 220 706	-	1 213 527	37 132 582
Capitalised	(26 961 366)	(5 057 196)	-	(1 213 527)	(32 018 562)
	<b>17 509 237</b>	<b>40 643 152</b>	<b>990 000</b>	<b>990 000</b>	<b>59 142 389</b>

#### Reconciliation of Work-in-Progress 2022

	Road Infrastructure	Community Assets	Machinery and Equipment	Total
Opening balance	9 535 774	33 286 241	-	42 822 015
Additions/capital expenditure	25 911 892	21 574 583	990 000	48 476 475
Capitalised	(20 795 924)	(14 896 613)	-	(35 692 537)
Prior period adjustment	(93 015)	-	-	(93 015)
Impairment Expense	-	(1 664 569)	-	(1 664 569)
	<b>14 558 727</b>	<b>38 299 642</b>	<b>990 000</b>	<b>53 848 369</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 8. Property, plant and equipment (continued)

#### 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	181 718	116 394
Solid Waste Infrastructure	325 914	-
Community assets	4 746 710	2 401 464
Other assets	28 000	2 246 403
Transport assets	2 796 675	2 590 520
Machinery and equipment	1 252 877	1 047 994
Storm water	1 262 937	998 364
Computer equipment	19 488	-
Road Infrastructure	2 842 944	-
	<b>13 457 263</b>	<b>9 401 139</b>

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

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

---

### 9. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 646 492	(1 434 422)	212 070	1 668 309	(1 252 096)	416 213

#### Reconciliation of intangible assets - 2023

	Opening balance	Disposals	Amortisation	Total
Computer software, other	416 213	(280)	(203 863)	212 070

#### Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Impairment loss	Total
Computer software, other	639 124	(216 702)	(6 209)	416 213



# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>10. Payables from exchange transactions</b>		
Trade payables	5 103 585	6 376 675
Unallocated deposits	188 265	549 951
Accrued leave pay	4 450 915	5 039 783
Accrued Bonus	1 638 804	1 632 652
Accruals	613 080	601 049
Other creditors	33 750	11 452
Debtors with credit balance	910 721	794 703
	<b>12 939 120</b>	<b>15 006 265</b>
<b>11. Conditional Grants receivables</b>		
Municipal Infrastructure Grant	-	4 044 593
<b>12. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
Municipal Infrastructure Grant	256 505	-
Spatial Development Framework Grant	260 964	260 964
Title Deeds Restoration Grant	200 000	200 000
Development Planning and Shared Services Grant	172 498	172 498
Small Town Rehabilitation Grant	336 034	336 034
Schemes Support Programme Grant	60 800	60 800
Maintenance of Sport Facilities Grant	567 463	-
Financial Management Grant	50 000	-
	<b>1 904 264</b>	<b>1 030 296</b>
See note 22 for reconciliation of grants from National/Provincial Government.		
These amounts are invested in a ring-fenced investment until utilised.		
<b>13. Other financial liabilities</b>		
<b>At amortised cost</b>		
ABSA Loan	3 672 146	4 491 174
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.		
<hr/>		
<b>Non-current liabilities</b>		
At amortised cost	2 638 228	3 482 375
<hr/>		
<b>Current liabilities</b>		
At amortised cost	1 033 918	1 008 799
<hr/>		
<b>14. Retentions</b>		
Current portion	6 322 803	4 834 574
Non-current portion	-	149 627
	<b>6 322 803</b>	<b>4 984 201</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 15. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

#### Carrying values

Present value of the defined benefit obligation - wholly unfunded (LSA)	1 970 000	2 002 000
Non-Current liabilities	1 679 000	1 727 000
Current liabilities	291 000	275 000
	<b>1 970 000</b>	<b>2 002 000</b>

The municipality provides certain long term service bonus awards. The municipality offers bonuses for every 5 years of completed services 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

The most recent actuarial valuation of plan assets and the present value of the defined obligation were carried out at 30 June 2023 by Ms. Julian van der Spuy. Fellow of the Actuarial Society of South Africa and Mr. Dihan Goussard. employee of ZAQEN Actuaries (Pty)Ltd. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit funding method

#### Long service awards

The number of members entitled to receive long service leave awards from the municipality were as follows:

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 15. Employee benefit obligations (continued)

Gender			
Male		75	78
Female		57	53
		<b>132</b>	<b>131</b>

#### Movements in the present value of the defined benefit obligations were as follows:

Opening balance	2 002 000	1 891 000
Net expenses recognised in the statement of financial performance	(32 000)	111 000
	<b>1 970 000</b>	<b>2 002 000</b>

#### The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	271 000	284 000
Interest cost	205 000	129 000
Actuarial (gains)/losses	(240 000)	(24 000)
Benefits Paid	(268 000)	(278 000)
	<b>(32 000)</b>	<b>111 000</b>

#### Assumptions used at the reporting date:

Long service benefits are awarded in the form of leave days and a percentage of salary. The awarded leave days have been converted into a percentage of the employee's annual salary. The conversion is based on a 249 working day year and therefore the benefits awarded can be expressed as follows:

Completer years of services	Long Services Leave Award (Working Days)	Formula used to calculate total Long Service Benefit award
5	5	(5/249)
10	10	(10/249)
15	20	(20/249)
20	30	(30/249)

The calculated award values are then discounted at the assumed discount interest rate to the date of calculation. The mortality, retirements and withdrawals from services as set out in the next section was also allowed.

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the working life of an employee up to the end of the interval at which the benefit becomes payable. Further is it assumed that the current policy for awarding long service awards remains unchanged in the future.

#### Financial Variables

The following are assumed values for these variables:

Financial Variable	Assumed value 30-06-2023 (Current Valuation)	Assumed Value at 30-06-2023 (Preceding Valuation)
Discount Rate	Yield Curve	Yield Curve
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	Difference between nominal and real yield curve
Normal salary Increase Rate	Equal to CPI +1%	Equal to CPI+1%
Net Effective Discount Rate	Yield Curve Based**	Yield Curve Based**

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## **Notes to the Annual Financial Statements**

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The nominal and zero curves was used as at 30 June 2023 supplied by the JSE to determine the discounted rates and CPI assumptions at each relevant time period.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 15. Employee benefit obligations (continued)

\*\* The net Effective Discount Rate is different for each relevant time period of the yield curves various durations and therefore the Net Effective Discount Rate is based on the relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Salary Inflation for each relevant time period.

The implied duration of the liability for this valuation is 5,42 years. It is however important to note that this is solely for indicative purposes as we use the entire yield curve to obtain our financial variables

Financial Variable	Assumed Value 30-06-2023 (Current Valuation)	Assumed Value 30-06-2022 (Preceding Valuation)
Discount Rate	10.42%	10.26%
CPI (Consumer Price Inflation)	5.72%	7.41%
Normal Salary Increase Rate	6.72%	8.41%
Net Effective Discount Rate	3.46%	1.71%

The assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an assumed increase on 01 July 2023 of 5,4%.

In addition to the normal salary inflation rate, we assumed the following promotional salary increases:

Age Band	Promotional Increase
20 - 24	5%
25 - 29	4%
30 - 34	3%
35 - 39	2%
40 - 44	1%
45 and over	0%

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill- health and early retirements.

The normal retirement age (NRA) for all active employees was assumed to be 65 years.

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry.

A table setting out the assumed rates of withdrawal from service is set out below:

Age Band	Withdrawal Rate Males	Withdrawal Rate Females
20 - 24	16%	24%
25 - 29	12%	18%
30 - 34	10%	15%
35 - 39	8%	10%
40 - 44	6%	6%
45 - 49	4%	4%
50 - 54	2%	2%
55 - 59	1%	1%
60 +	0%	0%

### Sensitivity Analysis

In order to illustrate the sensitivity of the results to changes in certain key variables, The liabilities have been recalculated using the following assumptions:

- 20% increase/decrease in the assumed level of withdrawal rates;
- 1% increase/decrease in the Normal Salary cost inflation

### Withdrawal rate

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 15. Employee benefit obligations (continued)

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Municipality. If the actual rates of withdrawal turn out to be higher than the rates assumed in the valuation basis, then the cost to the Municipality in the form of benefits will reduce and vice versa.

The effect of higher and lower withdrawal rates have been illustrated by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	2 082 000	1 970 000	1 868 000
Current service Cost	274 000	255 000	238 000
Interest Cost	217 000	205 000	193 000
	<b>2 573 000</b>	<b>2 430 000</b>	<b>2 299 000</b>

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

The effect of a 1% p.a. change have been tested in the Normal Salary inflation assumption. The effect is as follows:

	-1% Normal salary inflation	Valuation Assumptio n	+1% Normal salary inflation
Total Accrued Liability	1 876 000	1 970 000	2 072 000
Current Service Cost	241 000	255 000	271 000
Interest Cost	194 000	205 000	216 000
	<b>2 311 000</b>	<b>2 430 000</b>	<b>2 559 000</b>

### 16. Rental of facilities and equipment

#### Premises

Rental of facilities and equipment	560 391	777 059
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### 17. Licences and permits

Learner driver application	304 181	328 438
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### 18. Operational revenue

Other Income	951 930	-
Clearance Certificates	5 252	382
Administration fees	78 770	163 056
Tender Documents	178 797	105 473
Insurance claim	248 648	-
Building Plans	8 665	3 450
Staff Recoveries	179 888	41 781
	<b>1 651 950</b>	<b>314 142</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 19. Interest revenue

Interest on investment	3 844 556	2 194 852
Interest on outstanding receivables	95 081	99 484
	<b>3 939 637</b>	<b>2 294 336</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 20. Property rates

#### Rates received

Property rates	36 600 075	34 555 182
Less: Income forgone	(9 501 028)	(8 920 510)
	<b>27 099 047</b>	<b>25 634 672</b>

#### Property rates by category

Residential Properties	3 072 528	2 854 630
Agricultural Property	3 907 038	3 590 535
Business and Commercial Properties	4 841 654	4 530 229
Public Service Infrastructure Properties	58 253	54 866
State-owned Properties	17 407 231	16 592 142
Industrial properties	7 313 371	6 932 779
	<b>36 600 075</b>	<b>34 555 181</b>

#### Property rates foregone

Residential Properties	(1 323 621)	(1 245 364)
Agricultural Property	(1 562 815)	(1 436 214)
Business and Commercial Properties	(1 210 414)	(1 141 754)
Public Service Infrastructure Properties	(50 098)	(47 185)
State-owned Properties	(3 525 737)	(3 325 993)
Industrial properties	(1 828 343)	(1 724 000)
	<b>(9 501 028)</b>	<b>(8 920 510)</b>

#### Valuations

Agricultural	1 105 918 000	1 105 918 000
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	6 565 000	4 065 000
Public service infrastructure	19 926 000	19 926 000
Public service purposes	323 865 000	291 365 000
Residential	202 344 000	201 507 000
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
	<b>2 109 844 000</b>	<b>2 074 007 000</b>

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 2022 to 30 June 2023. The Budget related tarrifs were approved by Council at its meeting held on the 29 May 2022. The revised Property Rates Tarrifs are as follows:

#### Property Rates Category - Tariffs

Agricultural	0.00344	0,00324
Business/Hotel	0.05490	0.05179
Industrial	0.05490	0.05179
Residential	0.01375	0.01297
Public Service Purposes	0.06178	0.05828
Public Service Infrastructure	0.00344	0.00324
Church/PBO	Exempt	Exempt
Municipal Properties	Exempt	Exempt

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 21. Interest on outstanding receivables

Interest - Property rates	1 120 545	1 064 392
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### 22. Government grants & subsidies

#### Operational grants

Equitable share	165 314 000	147 696 000
Library Grant	2 472 000	3 037 000
Financial Management Grant	1 800 000	1 850 000
Expanded Public Works Program Grant	1 847 000	1 557 722
Maintenance of Sport Facilities Grant	330 535	37 606
	<b>171 763 535</b>	<b>154 178 328</b>

#### Capital grants

Sports and Recreation Grant	-	7 448 047
Municipal Infrastructure Grant	40 189 902	46 570 593
	<b>40 189 902</b>	<b>54 018 640</b>
	<b>211 953 437</b>	<b>208 196 968</b>

#### Conditional and Unconditional

Included in above are the following grants and subsidies received and spent:

Conditional grants received	46 639 437	60 500 968
Unconditional grants received	165 314 000	147 696 000
	<b>211 953 437</b>	<b>208 196 968</b>

#### Equitable Share

In terms of section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it. The Equitable Share Grant also provides funding to the municipality to deliver free basic services to poor households and to subsidise costs of administration and other core services of the municipality. The grant is realised in full upon receipt.

#### Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	(4 044 593)	-
Current-year receipts	44 491 000	42 526 000
Conditions met - transferred to revenue	(40 189 902)	(46 570 593)
	<b>256 505</b>	<b>(4 044 593)</b>

Conditions still to be met - remain liabilities (see note 12).

The grant is mainly used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant and equipment whilst the unspent portion of the grant is included in current liabilities.

#### Spatial Development Framework Grant

Balance unspent at beginning of year	260 964	260 964
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Conditions still to be met - remain liabilities (see note 12).

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 22. Government grants & subsidies (continued)

#### Library Grant

Current-year receipts	2 472 000	3 037 000
Conditions met - transferred to revenue	(2 472 000)	(3 037 000)
	-	-

The purpose is to fund capital projects and maintenance of library facilities of the community.

#### Financial Management Grant

Current-year receipts	1 850 000	1 850 000
Conditions met - transferred to revenue	(1 800 000)	(1 850 000)
	50 000	-

Conditions still to be met - remain liabilities (see note 12).

The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

#### Title Deeds Restoration Grant

Balance unspent at beginning of year	200 000	200 000
	-	-

Conditions still to be met - remain liabilities (see note 12).

#### Development Planning and Shared Services Grant

Balance unspent at beginning of year	172 498	172 498
	-	-

Conditions still to be met - remain liabilities (see note 12).

#### Small Town Rehabilitation Grant

Balance unspent at beginning of year	336 034	336 034
	-	-

Conditions still to be met - remain liabilities (see note 12).

#### Sport and Recreation Grant

Balance unspent at beginning of year	-	4 198 046
Current-year receipts	-	3 250 000
Conditions met - transferred to revenue	-	(7 448 046)
	-	-

#### Maintenance of Sport Facilities Grant

Balance unspent at beginning of year	-	37 605
Current-year receipts	898 000	-
Conditions met - transferred to revenue	(330 535)	(37 605)
	567 465	-

Conditions still to be met - remain liabilities (see note 12).

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>22. Government grants &amp; subsidies (continued)</b>		
<b>Expanded Public Works Programme Grant</b>		
Balance unspent at beginning of year	-	346 722
Current-year repayment	-	(346 000)
Current-year receipts	1 847 000	1 557 000
Conditions met - transferred to revenue	(1 847 000)	(1 557 722)
	-	-

The purpose of the grant is incentives for municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas, in compliance with EPWP guidelines.

## 23. Fines, Penalties and Forfeits

Motor licenses and traffic fines	479 350	534 550
Illegal Dumping Fines	876	726
	<b>480 226</b>	<b>535 276</b>

## 24. Contract revenue

### Agreements that meet all the criteria in terms of GRAP11

The cost basis was utilised to compute the percentage of completion of the contract. The percentage of completion arises from the cost incurred in the current period over the estimated total cost. Contract Revenue is measured at the fair value of the contract revenue received. The revenue measurement is affected by uncertainties that depend on outcomes of future events.

Amount of revenue in agreed contract	3 000 000	-
Contract Revenue recognised within revenue	1 976 506	-
Cost recognised within expenditure	1 976 506	-
Vat amount	296 476	-
Contract deferred income	727 018	-

## 25. 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
Dondotha community centre	2 031 998	-
	<b>2 031 998</b>	<b>1 010 142</b>

The Municipality received a donation from Transnet, a Community Centre in Dondotha on 1 March 2023.

An assessment was performed by the Municipality to determine the current replacement cost or fair value of the asset during the financial period ended 30 June 2023. This is in line with paragraph 41 of GRAP 23 (Revenue from Non-Exchange Transactions) which states that, 'An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.'

At the time of the donation, the centre was not new, therefore the fair value was determined taking into account the current condition / status of the building to ensure that all factors were considered for the initial recognition of the asset in the records of the Municipality.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 26. Revenue

Service charges	668 998	666 705
Rental of facilities and equipment	560 391	777 059
Licences and permits	304 181	328 438
Operational revenue	1 651 950	314 142
Interest on investment	3 939 637	2 294 336
Property rates	27 099 047	25 634 672
Interest on outstanding receivables	1 120 545	1 064 392
Government grants & subsidies	211 953 437	208 196 968
Fines, Penalties and Forfeits	480 226	535 276
Contract revenue	1 976 506	-
Donation Income	2 031 998	1 010 143
	<b>251 786 916</b>	<b>240 822 131</b>

**The amount included in revenue arising from exchanges of goods or services are as follows:**

Service charges	668 998	666 705
Rental of facilities and equipment	560 391	777 059
Licences and permits	304 181	328 438
Operational revenue	1 651 950	314 142
Interest on investment	3 939 637	2 294 336
	<b>7 125 157</b>	<b>4 380 680</b>

**The amount included in revenue arising from non-exchange transactions is as follows:**

<b>Taxation revenue</b>		
Property rates	27 099 047	25 634 672
Interest on outstanding receivables	1 120 545	1 064 392
<b>Transfer revenue</b>		
Government grants & subsidies	211 953 437	208 196 968
Fines, Penalties and Forfeits	480 226	535 276
Contract revenue	1 976 506	-
Donations income	2 031 998	1 010 143
	<b>244 661 759</b>	<b>236 441 451</b>

### 27. Employee related costs

Basic	47 511 616	44 781 172
Bonus	3 035 525	2 896 071
Medical aid - company contributions	3 626 168	3 619 313
UIF	363 380	347 763
SDL	770 348	723 054
Pension	6 102 951	5 859 485
Leave pay provision charge	1 603 845	1 318 136
Overtime payments	2 914 137	3 373 608
Acting allowances	338 777	303 469
Car allowance	7 297 946	7 164 607
Housing benefits and allowances	168 246	171 697
Cellphone allowances	515 494	532 030
Stand-by Allowance	1 215 724	839 145
Group Life Insurance	1 974 980	1 792 199
Bargaining Council	21 524	21 414
	<b>77 460 661</b>	<b>73 743 163</b>

Senior management remuneration included in employee related cost is as follows:

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Employee related costs (continued)</b>		
<b>Remuneration of Municipal Manager - KE Gamede</b>		
Annual Remuneration	265 869	694 893
Travel Allowance	105 227	297 812
Leave Payout	178 607	-
Contributions to UIF	1 063	2 125
Other contributions	5 330	9 739
	<b>556 096</b>	<b>1 004 569</b>
Terminated on 31 October 2022		
<b>Remuneration of Municipal Manager - LS Jili</b>		
Annual Remuneration	470 211	-
Travel Allowance	201 519	-
Cellphone Allowance	10 000	-
Contributions to UIF	1 417	-
Other contributions	6 591	-
	<b>689 738</b>	-
Appointed 01 November 2022		
<b>Remuneration of Chief Financial Officer - ZJ Ndlovu</b>		
Annual Remuneration	608 001	570 544
Travel Allowance	251 854	244 519
Cellphone Allowance	-	7 500
Contributions to UIF	2 125	2 125
Other contributions	8 504	7 931
	<b>870 484</b>	<b>832 619</b>
<b>Remuneration of Technical Services Director - SG Hlatshwayo</b>		
Annual Remuneration	646 976	611 297
Travel Allowance	209 879	203 766
Cellphone Allowance	18 000	18 000
Contributions to UIF	2 125	2 125
Other contributions	8 903	8 471
	<b>885 883</b>	<b>843 659</b>
<b>Remuneration of Corporate Services Director - AS Shandu</b>		
Annual Remuneration	608 001	570 544
Travel Allowance	251 854	244 519
Cellphone Allowance	18 000	18 000
Contributions to UIF	2 125	2 125
Other contributions	8 453	8 047
	<b>888 433</b>	<b>843 235</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 27. Employee related costs (continued)

#### Remuneration of Community Services Director- SS Maphanga

Annual Remuneration	581 511	47 545
Acting Allowance	14 128	-
Travel Allowance	254 547	20 377
Cellphone Allowance	18 000	1 500
Contribution to UIF	2 125	177
Other Contributions	8 302	664
	<b>878 613</b>	<b>70 263</b>

Acting Municipal Manager from 01<sup>st</sup> of July 2022 to 08<sup>th</sup> of September 2022.

#### Remuneration of Acting Municipal Manager - PM Manqele

Annual Remuneration	111 534	-
Travel Allowance	37 178	-
Cellphone Allowance	3 542	-
Contributions to UIF	552	-
Leave Payout	11 960	-
Other Contribution	1 795	-
	<b>166 561</b>	<b>-</b>

Acting Municipal Manager from 09<sup>th</sup> of September 2022 to 31<sup>st</sup> of October 2022

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Remuneration of councillors</b>		
Hon. Mayor	944 200	735 674
Deputy Mayor	481 063	559 200
Hon. Speaker	733 553	602 816
Executive committee members	1 240 038	1 182 144
Executive committee chair person	654 214	344 275
Chief Whip	415 495	259 191
All other Councillors	8 788 519	8 514 081
	<b>13 257 082</b>	<b>12 197 381</b>
<b>Honourable Mayor - X.M. Bhengu</b>		
Salary and back pay	898 595	522 250
Cellphone and data allowance	42 000	25 900
	<b>940 595</b>	<b>548 150</b>
<b>Former Mayor - Mr S.Mgenge (terminated 08 November 2021)</b>		
Salary and back pay	3 606	128 741
Travel Allowance	-	42 914
Cellphone and data allowance	-	15 870
	<b>3 606</b>	<b>187 525</b>
<b>Deputy Mayor - T.B. Biyela (Appointed January 2023)</b>		
Salary and back pay	148 980	-
Travel allowance	49 660	-
Cellphone and data allowance	20 400	-
	<b>219 040</b>	<b>-</b>
<b>Former Deputy Mayor- N.N. Gumede (Period: December 2021 to December 2022)</b>		
Salary and back pay	259 127	401 735
Cellphone and data allowance	2 896	7 753
	<b>262 023</b>	<b>409 488</b>
<b>Former Deputy Mayor - S.R. Thabethe ( Terminated November 2021)</b>		
Salary and back-pay	-	102 993
Travel allowance	-	35 972
Cellphone and data allowance	-	10 747
	<b>-</b>	<b>149 712</b>
<b>Former Speaker - Z.D. Mfusi (terminated 08 November 2021)</b>		
Salary and back-pay	2 627	137 324
Cellphone and data allowance	-	15 870
	<b>2 627</b>	<b>153 194</b>
<b>Honorable Speaker - M.M. Mthiyane</b>		
Salary and back-pay	717 114	432 614
Cellphone and data allowance	13 812	17 008
	<b>730 926</b>	<b>449 622</b>
<b>Former MPAC - MN Mlambo (Terminated 08 November 2021)</b>		
Salary and back-pay	2 275	93 723
Travel allowance	-	31 241

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Remuneration of councillors (continued)</b>		
Cellphone and data allowance	-	15 870
	<b>2 275</b>	<b>140 834</b>
<b>MPAC - S.Z. Mtetwa</b>		
Salary and back-pay	459 707	135 931
Travel allowance	150 232	45 310
Cellphone and data allowance	42 000	22 200
	<b>651 939</b>	<b>203 441</b>
<b>Chief Whip - C.Makhunga</b>		
Salary and back-pay	373 495	230 438
Cellphone and data allowance	42 000	28 753
	<b>415 495</b>	<b>259 191</b>
<b>Former Executive Committee members - N.T. Mthiyane, B.M. Mkhize and S.T. Khumalo (Terminated 08 November 2021)</b>		
Salary and back-pay	7 147	-
<b>Executive Committee members - S.P Mpanza, B.T Mtombela and N.S. Ngubane</b>		
Salary and back-pay	937 570	615 222
Travel allowance	-	52 528
Cellphone and data allowance	104 400	80 553
	<b>1 041 970</b>	<b>748 303</b>
<b>Former Executive Committee Member - T.M. Biyela (Period:July 2022 to December 2022)</b>		
Salary and back-pay	144 269	-
Travel allowance	45 452	-
Cellphone and data allowance	21 600	-
	<b>211 321</b>	-
<b>Former executive Committee members - N.T. Mthiyane, B.M. Mkhize and S.T. Khumalo (Terminate 08 November 2021)</b>		
Salary and back-pay	-	321 859
Travel allowance	-	64 372
Cellphone and data allowance	-	47 610
	<b>-</b>	<b>433 841</b>
<b>All other councillors</b>		
Salary and back-pay	7 426 571	6 884 367
Travel allowance	208 205	433 904
Cellphone and data allowance	1 133 343	1 195 810
	<b>8 768 119</b>	<b>8 514 081</b>

### 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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
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### 28. Remuneration of councillors (continued)

#### 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.

### 29. Depreciation, impairment loss and amortisation

Machinery and Equipment	1 423 662	650 746
Furniture and office equipment	906 343	933 189
Computer Equipment	796 007	608 881
Intangible assets	203 863	222 911
Road Infrastructure	12 553 773	11 929 105
Community Assets	12 731 914	11 641 694
Storm Water Infrastructure	73 679	59 346
Water Supply Infrastructure	1 954	1 954
Buildings	2 802 008	2 385 866
Transport Assets	2 352 065	2 692 657
ICT Infrastructure	403 360	403 535
	<b>34 248 628</b>	<b>31 529 884</b>

### 30. Finance costs

Employee benefit obligations	205 000	129 000
Other financial liabilities	404 679	485 664
Interest paid	1 139	2 207
	<b>610 818</b>	<b>616 871</b>

### 31. Lease rentals on operating lease

#### Lease rentals on operating lease - Photocopiers

Contractual amounts	1 024 602	964 872
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Operating lease payments represents rentals payable by the municipality for certain of its photocopiers

### 32. Debt impairment

Contributions to debt impairment provision	4 016 435	1 141 734
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### 33. Bad debt Written off

Consumer debtors	800 594	-
Traffic Fines	11 657 825	-
	<b>12 458 419</b>	<b>-</b>

Council resolved to write-off the total amount that was impaired in the 2021/22 financial year of traffic fines during a council meeting held on the 31 August 2022 and write off consumer debtors of R800 594 during the current year under review with a council meeting held 29 May 2023.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 34. Contracted services

#### Outsourced Services

Catering Services	2 970 216	2 240 719
Cleaning Services	1 934 627	2 533 827
Other contractors	577 968	296 855
Researcher	846 056	368 886
Electrical	-	165 275

#### Consultants and Professional Services

Business and Advisory	20 166 467	25 641 017
Legal Cost	586 640	167 945

#### Contractors

Electrical	-	2 757 600
Event Promoters	427 903	445 212
Maintenance of unspecified assets	13 457 261	9 776 514
Medical Services	256 663	372 735
Safeguard and Security	7 280 438	9 519 701
Sewerage Services	2 962 602	3 613 438
Stage and Sound Crew	1 018 345	1 537 623
	<b>52 485 186</b>	<b>59 437 347</b>

### 35. Transfer and subsidies

#### Social relief funds

Councillors donations	4 602 825	822 847
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# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>36. Operational Costs</b>		
Advertising and publicity	7 027 960	4 621 045
Auditors remuneration	2 311 206	2 108 499
Bank charges	130 861	168 459
Computer expenses	2 488 463	2 148 346
Consulting and professional fees	1 170 819	1 280 679
Consumables	2 145 312	1 854 370
Workmen's Compensation	467 853	424 800
Entertainment	74 293	69 731
Hire Charges	5 501 400	6 459 161
Insurance	774 927	1 075 666
Community development and training	838 184	1 053 755
Conferences and seminars	282 459	872 391
Levies	175 048	25 176
Minor Assets	7 562	-
Fuel and oil	7 027 797	6 621 337
Postage and courier	8 122	3 685
Printing and stationery	644 857	769 714
Protective clothing	134 416	-
Repairs and maintenance	44 706	397 663
Telephone and fax	1 159 620	1 274 838
Training	116 955	301 744
Travel - local	4 313 022	5 348 493
Municipal Services	3 744 207	2 471 349
Uniforms	1 763 999	658 285
Ward committees remuneration	2 482 650	1 492 400
Indigent	900 679	1 277 297
Gifts and promotions	1 394 535	3 949 557
Municipal disaster Relief	159 020	29 000
Sitting allowance	13 800	21 000
Hostel charges	726 655	725 849
	<b>48 031 387</b>	<b>47 504 289</b>

## 37. Reversal of impairments gains/(Losses)

### Reversal of impairments - gains/(losses)

Trade and receivables from non-exchange revenue

11 657 825

Council resolved to write-off the total amount that was impaired in the 2021/22 financial year of traffic fines during a council meeting held on the 31 August 2022.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>38. Cash generated from operations</b>		
Surplus	13 369 313	11 217 042
<b>Adjustments for:</b>		
Depreciation and amortisation	34 248 626	33 121 403
Loss on disposal of property, plant and equipment	142 881	87 122
Impairment reversals	(11 657 825)	-
Debt impairment	4 016 435	1 141 734
Bad debts written off	12 458 419	-
Movements in retirement benefit assets and liabilities	(32 000)	111 000
Donation received	(2 031 998)	(1 010 142)
<b>Changes in working capital:</b>		
Receivables from non-exchange transactions	(2 058 699)	(1 394 927)
Other receivables from exchange transactions	(421 883)	(1 087 068)
Conditional Grants receivable	4 044 593	(4 044 593)
Payables from exchange transactions	(1 340 119)	3 770 680
VAT receivables	(1 616 708)	1 914 112
Unspent conditional grants and receipts	873 968	(4 582 376)
Retentions	1 338 602	1 642 800
	<b>51 333 605</b>	<b>40 886 787</b>
<b>39. Auditors' remuneration</b>		
External audit Fees	2 311 206	2 108 499
<b>40. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2023</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Receivables from exchange transactions	1 969 054	1 969 054
Receivables from non-exchange transactions	8 235 465	8 235 465
Cash and cash equivalents	32 863 046	32 863 046
	<b>43 067 565</b>	<b>43 067 565</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Other financial liabilities	3 672 146	3 672 146
Payables from exchange transactions	12 939 120	12 939 120
Retentions	6 322 803	6 322 803
Employee benefit obligation	1 679 000	1 679 000
	<b>24 613 069</b>	<b>24 613 069</b>
<b>2022</b>		
<b>Financial assets</b>		
	At amortised cost	Total
Trade and other receivables from exchange transactions	1 719 143	1 719 143

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>40. Financial instruments disclosure (continued)</b>		
Other receivables from non-exchange transactions	10 844 255	10 844 255
Cash and cash equivalents	21 760 836	21 760 836
	<b>34 324 234</b>	<b>34 324 234</b>
<b>Financial liabilities</b>		
	At amortised cost	Total
Other financial liabilities	4 491 174	4 491 174
Trade and other payables from exchange transactions	15 006 265	15 006 265
Retentions	4 984 201	4 984 201
Employee benefit obligation	2 002 000	2 002 000
	<b>26 483 640</b>	<b>26 483 640</b>
<b>41. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Community assets	16 183 786	10 815 688
• Road Infrastructure	22 448 916	21 135 352
• Machinery and equipment	297 000	297 000
	<b>38 929 702</b>	<b>32 248 040</b>
<b>Total capital commitments</b>		
Already contracted for but not provided for	38 929 702	30 367 510
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	38 929 702	30 367 510

## 42. Contingencies

The municipality has no pending contingent liabilities

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 43. Related parties

#### Relationships

Members of key management with significant influence  
Councilors with significant influence and control

Refer to note 27  
Refer to note 28

#### Related party balances

##### Amounts included in Property Rates regarding Related Party

Mr S.V. Mthethwa - Superintendent	566	595
Mr V.G. Mdletshe - Finance Manager	417	(328)
Ms A.S Shandu - Director Corporate Services	-	189

Amounts stipulated as property rates are the amounts owed by the employees to the municipality as at 30 June 2023.

##### Amounts included in Service charges regarding Related Party

Mr S.V. Mthethwa	47	-
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Amounts stipulated as service charges are the amounts owed by the employees to the municipality as at 30 June 2023.

No councillors nor key management own properties whose rates are levied within 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 2023.

##### Amounts incurred in waste removal and water usage with related party

King Cetshwayo district municipality	67 217	44 172
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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 2023.

#### Management information

Class	Number
Hon. Mayor	1
Executive Committee members	3
Hon Speaker	1
Hon. Deputy Mayor	1
Councillors	28
EXCO Chair Person	1
Chief Whip	1
Accounting Officer	1

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 43. Related parties (continued)

#### Remuneration of management

##### Management class: Section 54 managers

2023

Name	Leave accrual	Travel and subsistence allowance	Leave payout	Total
L.S. Jili	45 322	25 999	-	71 321
Z.J. Ndlovu	37 211	49 024	-	86 235
A.S. Shandu	86 051	13 680	-	99 731
S.G. Hlatshwayo	-	91 474	-	91 474
S.S. Maphanga	39 537	-	-	39 537
P.M. Manqele	-	54 662	11 960	66 622
K.E. Gamede	-	-	178 607	178 607
	<b>208 121</b>	<b>234 839</b>	<b>190 567</b>	<b>633 527</b>

2022

Name	Leave accrual	Travel and subsistence allowance	Total
K.E. Gamede	133 955	38 071	172 026
Z.J. Ndlovu	32 079	9 345	41 424
S.G. Hlatshwayo	117 840	53 980	171 820
A.S. Shandu	61 866	10 934	72 800
S.S. Maphanga	4 583	-	4 583
	<b>350 323</b>	<b>112 330</b>	<b>462 653</b>

##### Management class: Councillors

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

2023

Name	Basic salary	Back-pay	Travel Allowance	Travel and subsistence claim	Cellphone allowance	Skills Development levy	Data allowance	Total
Executive Mayor - Cllr.X.M. Bhengu	877 215	21 380	-	-	40 800	6 684	1 200	947 279
Deputy Mayor - Cllr. T.M. Biyela	284 536	8 712	-	95 112	40 800	3 909	1 200	434 269
Former Deputy Mayor - Cllr. N.N. Gumede	243 786	15 341	-	-	1 696	1 911	1 200	263 934
Speaker - Cllr. M.M. Mthiyane	701 773	15 341	-	-	12 612	7 246	1 200	738 172
Chief Whip - Cllr. C. Makhunga	367 037	6 458	-	756	40 800	3 999	1 200	420 250
G.M Khumalo	277 606	4 085	-	2 607	40 800	3 042	1 200	329 340
B.T. Ntombela (EXCO Member)	367 037	6 458	-	5 289	40 800	3 953	1 200	424 737
S.P. Mpaza (EXCO member)	367 037	-	1 448	9 019	40 800	3 427	1 200	422 931
T.Z Mdhletshe	277 606	4 085	-	1 822	40 800	3 033	1 200	328 546
S.Z Mtetwa (MPAC)	448 139	-	150 323	6 580	40 800	6 047	1 200	653 089
S.G. Mthethwa	277 606	4 085	-	7 249	40 800	3 088	1 200	334 028
B.V. Mhlongo	277 606	4 085	-	3 902	40 800	3 047	1 200	330 640
P.M. Gumbi	277 606	4 085	-	-	40 800	3 033	1 200	326 724
M.N. Nxumalo	281 691	-	-	-	40 800	3 033	1 200	326 724
T. Ndimande	277 606	4 085	-	-	40 800	3 033	1 200	326 724
S.E. Sibiya	281 691	1 958	-	3 513	40 800	3 049	1 200	332 211
A.M. Mtshali	277 606	5 552	-	-	40 800	2 250	1 200	327 408
T.N. Msweli	277 606	4 085	-	1 672	40 800	3 033	1 200	328 396
N. Conco	277 606	5 552	-	-	40 800	1 491	1 200	326 649
B.P. Sithole	277 606	4 085	-	3 043	40 800	1 935	1 200	328 669
M.E. Shobede	277 606	4 085	-	-	40 800	3 033	1 200	326 724
B.S. Bhengu	208 205	5 552	69 402	4 486	40 800	2 920	1 200	332 565
NR.L. Keyser	208 205	5 552	69 402	2 338	40 800	2 910	1 200	330 407
M.B. Makhaza	277 606	4 085	-	-	40 800	3 033	1 200	326 724
T.D. Ngwenya	277 606	4 085	-	2 267	40 800	3 033	1 200	328 991
H.B. Hadebe	277 606	4 085	-	2 764	40 800	3 033	1 200	329 488
N.B. Mkhwanazi	277 606	4 085	-	-	40 800	3 033	1 200	326 724
S.R. Thabethe	208 205	6 691	69 402	12 691	40 800	2 971	1 200	341 960
S.S. Gazu	277 606	4 084	-	4 328	40 800	3 033	1 200	331 051

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

S.M. Shabangu	277 606	5 552	-	1 064	40 800	3 048	1 200	329 270
M.Shabalala	277 606	4 085	-	1 296	40 800	3 033	1 200	328 020
A.S.Msibi	277 606	4 085	-	-	40 800	3 033	1 200	326 724
N.S. Ngubane (EXCO Member)	322 738	7 982	-	4 815	40 800	3 523	1 200	381 058
E.S. Mthethwa	252 715	1 008	-	866	37 072	2 731	871	295 263
K.S.C. Xaba	277 606	5 552	-	-	40 800	3 048	1 200	328 206
K. Mlambo	163 447	-	-	-	23 800	1 754	-	189 001
	<b>11 135 577</b>	<b>190 000</b>	<b>359 977</b>	<b>177 479</b>	<b>1 380 780</b>	<b>117 412</b>	<b>41 671</b>	<b>13 402 896</b>

2022

Name	Basic Salary	Back-pay	Travel allowance	Travel and subsistence allowance	Cellphone allowance	Skills Development levy	Data allowance	Total
Executive Mayor - Cllr.X.M. Bhengu	591 527	10 318	29 787	-	40 800	4 810	3 600	462 653
Cllr. T.M. Biyela (EXCO member)	244 503	-	81 230	-	40 800	3 335	3 600	373 468
Former Deputy Mayor - Cllr. S.R. Thabethe	234 284	-	78 030	6 078	40 800	3 247	3 600	366 039
Former Executive Mayor - Cllr. S. Mgenge	128 741	-	42 914	-	14 583	1 717	1 287	462 653
Former deputy Mayor - Cllr. N. N. Gumede	432 613	-	-	-	5 422	3 882	2 331	462 653
Speaker - Cllr. M.M. Mthiyane	401 735	30 879	-	-	5 422	3 882	2 331	444 249
Former Speaker - Cllr. Z.D. Mfusi	137 324	-	-	-	14 583	1 459	1 287	154 653
Chief Whip - Cllr. C. Makhunga	210 113	20 325	-	6 843	26 422	2 503	2 331	268 537
G.M Khumalo	176 423	-	-	-	26 422	1 920	2 331	207 096
B.T. Ntombela (EXCO Member)	230 438	-	-	1 950	26 422	2 460	2 331	263 601
S.P. Mpaza (EXCO memeber)	326 004	-	4 579	1 496	40 800	3 048	3 600	379 527
T.Z Mdhletshe	176 423	-	-	608	26 422	1 920	2 331	207 704
S.Z Mtetwa (MPAC)	233 268	4 824	79 364	-	40 800	3 256	3 600	365 112
NN Mlambo (Former MPAC)	93 723	-	31 241	-	14 583	1 273	1 287	142 107
Q.D. Mkhize	97 375	-	-	484	14 583	1 086	1 287	114 815
S.G. Mthethwa	176 423	-	2 358	1 064	26 422	1 939	2 331	210 537
E.B.Z. Mbhele	73 031	-	34 344	-	14 583	1 011	1 287	124 256
B.V. Mhlongo	176 423	-	2 001	1 064	26 422	1 936	2 331	210 177
K.S. Zwane	73 031	-	24 344	-	14 583	1 011	1 287	114 256
S.M. Nzama	97 375	-	-	-	14 583	1 060	1 287	114 305

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

N.S. Madonsela	97 375	-	-	-	14 583	913	1 287	114 158
P.M. Gumbi	176 423	-	-	-	26 422	1 920	2 331	207 096
J.M. Ndimande	73 031	-	24 344	-	14 583	1 011	1 287	114 256
T. Ndimande	176 423	-	-	-	26 422	1 920	2 331	207 096
S.M. Mbuyazi	73 031	-	24 344	-	14 583	1 011	1 287	114 256
A.M. Mtshali	272 430	-	3 727	734	40 800	2 211	3 600	323 502
Z.G. Mcineka	73 031	-	24 324	-	14 583	1 011	1 287	114 236
T.N. Msweli	176 423	-	-	-	26 422	1 920	2 331	207 096
N.H. Mkhize	97 375	-	-	2 919	14 583	1 060	1 287	117 224
R.L. Keyser	204 323	-	68 108	5 686	40 800	2 851	3 600	325 368
N. Conco	272 430	-	324	-	40 800	2 967	3 600	320 121
M.J. Ngema	138 677	-	-	-	20 769	1 509	1 833	162 788
M.N. Nxumalo	176 423	-	1 650	1 196	26 422	1 933	2 331	209 955
B.P. Sithole	176 423	-	1 438	1 064	26 422	1 897	2 331	209 575
S.E. Sibya	176 423	-	2 347	608	26 422	1 938	2 331	210 069
M.E. Shobede	176 423	-	-	-	26 422	1 920	2 331	207 096
B.S. Bhengu	204 323	-	68 108	6 534	40 800	2 870	3 600	326 235
S. Mdamba	73 031	-	24 344	-	14 583	1 011	1 287	114 256
P.N. Khanyile	97 375	-	-	-	14 583	1 060	1 287	114 305
M.C. Mkize	97 375	-	-	-	14 583	1 060	1 287	114 305
B.S. Ndlovu	51 081	-	17 027	-	10 200	707	900	79 915
S. Mthethwa	97 348	-	-	-	14 583	1 060	1 287	114 278
N.T. Mthiyane (Former EXCO member)	96 558	-	32 186	-	14 583	1 309	1 287	145 923
M.B. Makhaza	176 423	-	-	1 064	26 422	1 920	2 331	208 160
T.D. Ngwenya	176 423	-	-	1 064	26 422	1 920	2 331	208 160
H.B. Hadebe	176 423	-	-	1 064	26 422	1 886	2 331	208 126
N.B. Mkhwanazi	176 423	-	1 923	-	26 422	1 935	2 331	209 034
C.M. Mkhwanazi	97 375	-	-	-	14 583	1 060	1 287	114 305
S.T. Khumalo (Former Exco member)	96 558	-	32 186	-	14 583	1 309	1 287	145 923
S.S. Gazu	176 423	-	4 553	1 342	26 422	1 956	2 331	213 027
S.M. Shabangu	272 430	-	-	1 342	40 800	2 964	3 600	321 136
M.Shabalala	176 423	-	1 714	1 064	26 422	1 933	2 331	209 887
A.S. Msibi	176 423	-	-	-	26 422	1 920	2 331	207 096
N.S. Ngubane	176 423	-	-	-	26 422	1 920	2 331	207 096
B.M. Mkhize (Former Exco member)	128 744	-	-	-	14 583	1 373	1 287	145 987
K.S.C. Xaba	272 430	-	1 543	278	40 800	2 977	3 600	321 628

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 43. Related parties (continued)

9 843 453	66 346	744 382	45 546	1 337 135	108 897	121 686	12 341 072
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# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 44. Prior period errors

## Statement of Financial Position

Figures in Rand	Note(s)	Previously reported	Adjustment	Re-classification	Restated	Reference
<b>Assets</b>						
<b>Current Assets</b>						
Receivables from Exchange transactions	4	1 630 143	89 000	-	1 719 143	[8]
VAT receivable	6	6 038 112	24 515	-	6 062 627	[6]
Receivables from exchange transactions	5	10 844 255	-	-	10 844 255	
Conditional Grants receivable	11	-	4 044 593	-	4 044 593	[9]
Cash and cash equivalents	7	21 760 836	-	-	21 760 836	
		<b>40 273 346</b>	<b>4 158 108</b>	-	<b>44 431 454</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	8	388 161 785	813 303	-	388 975 088	[6]
Intangible assets	9	416 213	-	-	416 213	
		<b>388 577 998</b>	<b>813 303</b>	-	<b>389 391 301</b>	
<b>Total Assets</b>		<b>428 851 344</b>	<b>4 971 411</b>	-	<b>433 822 755</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Other financial liabilities	13	1 008 799	-	-	1 008 799	
Payables from exchange transactions	10	15 413 584	(407 319)	-	15 006 265	[1]
Unspent conditional grants and receipts	12	1 030 296	-	-	1 030 296	
Retentions	14	4 557 625	276 949	-	4 834 574	[6]
Employee benefit Obligation	15	-	275 000	-	275 000	[2]
		<b>22 010 304</b>	<b>144 630</b>	-	<b>22 154 934</b>	
<b>Non-Current Liabilities</b>						
Other financial liabilities	13	3 482 375	-	-	3 482 375	
Retentions	14	149 627	-	-	149 627	
Employee benefit obligations	15	2 002 000	(275 000)	-	1 727 000	[2]
		<b>5 634 002</b>	<b>(275 000)</b>	-	<b>5 359 002</b>	
<b>Total Liabilities</b>		<b>27 644 306</b>	<b>(130 370)</b>	-	<b>27 513 936</b>	
<b>Net Assets</b>		<b>401 207 038</b>	<b>5 101 781</b>	-	<b>406 308 819</b>	
Accumulated surplus		401 207 038	5 101 782	-	406 308 820	[1]

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## 44. Prior period errors (continued)

### Statement of Financial Performance

Figures in Rand	Note(s)	Previously reported	Adjustment	Re-classification	Restated	Reference
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges		666 705	-	-	666 705	
Rental of facilities and equipment	16	777 059	-	-	777 059	
Licences and permits	17	328 438	-	-	328 438	
Benefits Paid	15	270 060	-	(270 060)	-	[1]
Operational revenue	18	314 142	-	-	314 142	
Interest on Investments	19	3 358 728	-	(1 064 392)	2 294 336	[3]
<b>Total revenue from exchange transactions</b>		<b>5 715 132</b>	-	<b>(1 334 452)</b>	<b>4 380 680</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	20	25 634 672	-	-	25 634 672	
Interest on outstanding receivables		-	-	1 064 392	1 064 392	[3]
<b>Transfer revenue</b>						
Government grants & subsidies	22	204 152 375	4 044 593	-	208 196 968	[9]
Fines, Penalties and Forfeits	23	535 276	-	-	535 276	
Donation Income	25	1 010 143	-	-	1 010 143	
<b>Total revenue from non-exchange transactions</b>		<b>231 332 466</b>	<b>4 044 593</b>	<b>1 064 392</b>	<b>236 441 451</b>	
<b>Total revenue</b>	26	<b>237 047 598</b>	<b>4 044 593</b>	<b>(270 060)</b>	<b>240 822 131</b>	
<b>Expenditure</b>						
Employee related costs	27	(74 057 652)	44 429	270 060	(73 743 163)	[1]
Remuneration of councillors	28	(12 197 381)	-	-	(12 197 381)	
Depreciation and amortisation	29	(22 788 720)	(21 755)	(10 310 928)	(33 121 403)	[4] & [6]
Finance costs	30	(616 871)	-	-	(616 871)	
Lease rentals on operating lease		(964 872)	-	-	(964 872)	
Debt Impairment	32	(1 141 734)	-	-	(1 141 734)	
Bad debts written off	32	-	-	-	-	
Contracted services	34	(59 549 922)	112 575	-	(59 437 347)	[6]
Transfers and Subsidies	35	(822 847)	-	-	(822 847)	
Operational Costs	36	(47 581 680)	77 391	-	(47 504 289)	
<b>Total expenditure</b>		<b>(219 721 679)</b>	<b>212 640</b>	<b>(10 040 868)</b>	<b>(229 549 907)</b>	
<b>Operating (deficit) surplus</b>		<b>17 325 919</b>	<b>4 257 233</b>	<b>(10 310 928)</b>	<b>11 272 224</b>	
Loss on disposal of assets and liabilities		(87 122)	-	-	(87 122)	
Actuarial losses		31 940	-	-	31 940	
Impairment loss	29	(10 310 928)	-	10 310 928	-	[4]
		<b>(10 366 110)</b>	-	<b>10 310 928</b>	<b>(55 182)</b>	
<b>Surplus for the year</b>		<b>6 959 809</b>	<b>4 257 233</b>	-	<b>11 217 042</b>	
<b>Attributable to:</b>						
Irregular Expenditure		131 565 084	-	1 490 122	133 055 206	[5]
Commitments		30 367 510	1 880 530	-	32 248 040	[7]
Unauthorized expenditure		-	-	-	-	
		<b>161 932 594</b>	<b>1 880 530</b>	<b>1 490 122</b>	<b>165 303 246</b>	

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Performance

Figures in Rand

Note(s)

2023

2022

Restated\*

### 44. Prior period errors (continued)

[1] Trade and other payable was decreased by a total amount of R441 619 resulting from a decrease in leave accrual by R44 429.01 due to the leave accrual calculation in the prior year not based on capped days of 48days and a decrease in trade and other payable by an amount of R397 190.00 resulting from long outstanding invoices disputed from the financial period 2020/2021, the adjustment resulted to an decrease in employee related costs of R356 269 resulting from - decrease in leave expense with an amount of R44 429.01, decrease in Basic salary with an amount of R270 060.00 - , decrease in cellphone allowance with an amount of R41 781.00 and an increase in accumulated surplus with an amount of R397 190.00.

[2] Employee benefit obligation liability was disclosed in full as a long term liability, the short term liability relating to the expected long service awards within the next 12 months was not disclosed. This resulted in a decrease of the long term liability by R275 000.00 and an increase in short term liability by the same amount.

[3] There was a classification error where interest on investment and interest on outstanding receivables was disclosed as one line item of interest income amounting to R3 358 728.00. This resulted in a reclassification and renaming of the line item which resulted in a decrease in interest on investment by R1 064 392.48 and increase in interest on outstanding receivables from non-exchange transactions with the same amount as per GRAP 23.09A.

[4] In terms of GRAP 16 impairment loss is recognised as an expense (unless it relates to a revalued asset where the impairment loss is treated as a revaluation decrease), thus impairment loss on assets was reclassified from operating surplus to expenditure note - depreciation, impairment loss and amortisation which resulted in an increase in the expenditure note and a decrease in operating surplus with an amount of R10 310 928 .

[5] Irregular expenditure was restated based on the prior financial year unresolved auditors findings that were raised in the management report. Management revisited the entire population based on the finding raised by the external auditors and an adjustment of R1 490 122 was raised as irregular expenditure, refer to the Note of irregular expenditure for the analysis of the expenditure.

[6] Plant,Property and equipment

The adjustment resulted in an increase in the Vat receivables of R36 124, increase in property, plant and equipment R813 303, decrease in contracted services of R146 875, increase in depreciation of R21 755 and an increase in retention of R276 949. The adjustment are as a result of the below stated events.

#### Nhlanzini Access Roads:

The Municipality identified that there was surety withheld from contractors that was not recorded in the records of the Municipality. The correction of this error resulted in an increase in the retentions and surety liability for the financial period ended 30 June 2022.

#### Lanjini Access Roads:

The Municipality identified that there was additional work done on the project during August 2021. This transaction had been misallocated to repairs and maintenance.

#### Esikhaleni Access Roads:

The Municipality identified that there was an additional payment made towards the close out of the project. In addition, there was a payment made towards the project which was misallocated.

#### Conditional Assessment:

A conditional assessment was performed during the financial period. Assets were identified to have an opening carrying value of zero which resulted in these assets being restated in the previous financial year.

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
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### 44. Prior period errors (continued)

#### Newly Identified Assets:

During the verification of movable assets, there were newly identified assets which were found on the ground. The recognition of these assets resulted in a prior period error.

#### [7] Commitments

The contract value of projects were not accurately disclosed in the register, resulting in the commitment amount being understated in the prior financial.

[8] KIS Technology (Pty) Ltd: Over payment by the Municipality. In this matter a service provider payment was duplicated in the amount of R189 750.20. Upon demand of re-imbursement, the service provider only refunded R100 750.20. A balance of R89 000.00 remains due and owing.

#### [9] Conditional grants receivable

Municipal Infrastructure Grant receivables (conditions met) of R4 044 592.86 were not recognised in prior year resulting in revenue and Receivables being understated.

### 45. Risk management

#### Financial risk management

The entity'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.

#### 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.

At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	12 939 120	-	-	-
Unspent conditional grants and receipts	1 904 264	-	-	-
Other financial liabilities	1 033 918	2 638 228	-	-
Retentions	6 322 803	-	-	-
Employee benefit obligations	-	1 679 000	-	-

At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	15 006 265	-	-	-
Unspent conditional grants and receipts	1 030 296	-	-	-
Other financial liabilities	1 008 799	3 482 375	-	-
Retentions	4 834 574	149 627	-	-
Employee benefit obligations	-	1 727 000	-	-

\* See Note 2 & 44

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 45. Risk management (continued)

#### 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. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the group of customers, taking into account their financial position, past experience and other factors

Cash and cash equivalents	32 863 046	21 760 836
Trade and other receivables from exchange transactions	1 969 054	1 719 143
Trade and other receivables from non-exchange transactions	8 235 465	10 844 255
	<b>43 067 565</b>	<b>34 324 234</b>

#### Market risk

##### Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

### 46. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the municipality will continue to receive grants from National and Provincial Governments as well as continue to levy rates and charge for services provided to consumers. The proceeds are presumed to 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.

The following indicators have a negative outlook on the going concern of the municipality:

-Material impairment of R9 027 696.66 (2022: R19 525 808) as a result of a debt impairment of receivables from non-exchange transactions, due to non-collection of outstanding balances owned to the municipality

- Material bad debt write off of R12 458 419 (2022: R0) on receivables from non-exchange transactions - traffic fines R11 657 825 (2022: R0) and Consumer debtors R800 594 (2022: R0).

Despite the above negative indicators, the municipality is a going concern because of the following:

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently compliance with the Constitution.

	2022/23	2023/24	2024/25
Finance Management Grant (FMG)	1 850 000	1 850 000	1 850 000
Expanded Public Works Program (EPWP)	1 847 000	-	-
Municipal Infrastructure Grant (MIG)	44 491 000	30 664 000	31 913 000
Integrated National Electrification Grant (INEG)	3 000 000	10 000 000	14 629 000
Equitable Share	165 314 000	176 706 000	189 299 000
	<b>216 502 000</b>	<b>219 220 000</b>	<b>237 691 000</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023 2022

### 47. Events after the reporting date

No reportable events after reporting date.

### 48. Unauthorised expenditure

Opening unauthorised expenditure	148 543 532	124 976 689
Add: Unauthorised expenditure - Current year	42 978 208	23 566 843
	<b>191 521 740</b>	<b>148 543 532</b>

**The over expenditure incurred by municipal functions during the year is attributable to the following categories**

Non-cash  
Cash

#### Analysed as follows: non-cash

Depreciation, amortisation and impairment	15 899 776	6 442 602
Debt impairment	1 197 095	-
Bad debts written-off	12 458 419	-
	<b>29 555 290</b>	<b>6 442 602</b>

#### Analysed as follows: cash

Employee related costs	-	663 352
Remuneration of councillors	36 082	-
Finance costs (i.e. Interest on eskom and interest on other financial liabilities)	571 636	69 871
Lease rentals on operating lease	1 024 602	244 872
Contract services	3 693 186	2 491 207
Transfers and subsidies	2 043 825	152 847
Operational costs	6 448 687	11 652 386
	<b>13 818 018</b>	<b>15 274 535</b>

#### Unauthorised expenditure: Budget overspending – per municipal function

##### Operating expenditure

Community and Social Services	-	2 616 406
Energy sources and environmental protection	10 179	-
Executive and Council	392 426	907 269
Finance and Development	11 982 159	10 755
Planning and Development	606 219	2 739 132
Public Safety	8 811 689	-
Road Transport	19 476 603	15 257 131
Sports and Recreation	1 299 373	-
Waste Management	136 579	2 036 151
	<b>42 715 227</b>	<b>23 566 844</b>

##### Capital single-year expenditure

Finance and Development	262 981	-
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# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>49. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	1 936 261	1 357 419
Add: Repairs to vehicles	-	576 635
Add: Professional fees - Cinci project	439 131	-
Add: interests paid	1 139	2 207
Less: Amount written off - current	(439 131)	-
<b>Closing balance</b>	<b>1 937 400</b>	<b>1 936 261</b>

Interest was incurred on overdue accounts and for professional fees of Cinci project that was discontinued as it was not prioritised in the 2017/2018 IDP. The fruitless and wasteful expenditure in the Note are exclusive of Vat.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>50. Irregular expenditure</b>		
Opening balance as previously reported	133 055 206	122 896 256
Add: Irregular expenditure - current	30 436 797	53 670 457
Add: Irregular expenditure - current year identified during the audit	-	1 490 122
Less: Amount written off - current	(53 670 457)	(45 001 629)
<b>Closing balance</b>	<b>109 821 546</b>	<b>133 055 206</b>

### Analysis of irregular expenditure - Current year

Contravention of section 112(1) of the MFMA	14 231 516	40 194 203
Contravention of section 112(1) of the MFMA and Regulation 19	653 855	-
CIDB Expired	-	665 721
Contravention of section 18 of the CIDB Act	2 283 175	-
Non-compliance with SCM regulation 36(1)	1 671 085	74 874
Contract expired	-	2 142 302
Regulation 5 of PPR 2017	3 090 468	4 370 479
Contravention of MFMA section 33(3) and 116(3)	240 515	-
Contravention of MSR Regulation 13	103 506	-
Contravention of Regulation 12 of the SCMR	154 000	-
Contravention of Regulation 13 of the SCMR	622 650	-
Contravention of Regulation 12(1) of the SCMR	4 675 316	-
Contravention of Regulation 6 of PPR 2017	661 164	-
Contravention of Regulation 37	2 049 547	7 713 000
	<b>30 436 797</b>	<b>55 160 579</b>

### Details of irregular expenditures under assessment (not included in the main note)

The regulation of the use of panels (work allocation within the panel)	12 790 678	4 137 997
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The expenditure above was incurred through a panel appointment system. At the time of reporting it was not clear if the expenditure may be regarded as irregular expenditure or not as the process for listing of the panel was through a competitive bidding process. Management has thus resolved to draft a policy which will be implemented for the use of panels (i.e. work allocation within the panel) that will stipulated processes to be followed by the municipality in this regard. This process is done by the municipality in line with the Preferential Procurement Regulations,2022 that took effect on 16 January 2023 and section 112 of the MFMA, in the absence of any guidelines in terms of the Preferential Procurement Regulations,2017.

Further instances of Irregular Expenditure that might have resulted from non-compliance with SCM processes are under investigation to determine the full extent of the amount.

The irregular expenditure figures in the note are exclusive of VAT

## 51. Additional disclosure in terms of Municipal Finance Management Act

### Contributions to organised local government (SALGA)

Current year subscription / fee	1 028 631	854 205
Amount paid - current year	(1 028 631)	(854 205)
	-	-

### Audit fees

Current year subscription / fee	2 311 206	2 425 199
Amount paid - current year	(2 311 206)	(2 425 199)
	-	-

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 51. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### PAYE and UIF

Current year subscription / fee	14 355 556	14 264 160
Amount paid - current year	(14 355 556)	(14 264 160)
	-	-

#### Pension Fund and Medical aid

Current year subscription / fee	9 729 119	9 478 797
Amount paid - current year	(9 729 119)	(9 478 797)
	-	-

#### VAT

VAT receivable	74 702 996	72 496 257
VAT payable	(67 001 230)	(66 433 630)
	<b>7 701 766</b>	<b>6 062 627</b>

VAT output payables and VAT input receivables are shown in note 6.

All VAT returns have been submitted by the due date throughout the year.

#### Skills Development Levy

Current year subscription/fee	770 348	723 054
Amount paid - current year	(770 348)	(723 054)
	-	-

### 52. Statutory Receivables

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. The receivables within the scope of GRAP 108, effective for all periods started on or after 1 April 2019.

The following are regarded as statutory receivables;

#### Statutory Receivable

Vat receivables	7 701 766	6 062 627
Receivables from non exchange transactions	8 235 465	10 844 255
	<b>15 937 231</b>	<b>16 906 882</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 53. Deviations from supply chain management regulations

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 Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been approved by the Accounting Officer and have noted by Council. Furthermore, management did not note any material non-compliance with the Municipal Finance Management Act.

Reasons	Month	Supplier	Amount	Description
An urgent attention is required and health concerns has to be taken into account, for this reason it is an emergency.	July 2022	Phozongo Trading PTY LTD	24 011	Mawombe Sports Ground Plumbing
Emergency Breakdown. The vehicle is used for municipal basic services and it is significant to repair it for continued functioning of the institution.	July 2022	PowerTech Service Centre	27 612	Municipal Vehicle NRB
Emergency Services. The jaws of life tools are special equipment with hydraulic fluid used for extricating victims of accidents from compressed areas, especially during a fatal car crash.	July 2022	Lebowela Hydraulic Services PTY LTD	112 500	40912 Repairs Municipal Jaws of Life Service
Strip and quote .The vehicle is used for provision of municipal services hence it is significant to repair to minimise the risk to individual and other road users.	August 2022	Nqolamasondo Investment PTY LTD	76 310	Municipal Vehicle Fintess Test
TLB Emergency breakdown . The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	August 2022	RB Plant Repairs	73 551	Municipal Plant Breakdown
Bell is the manufactor of the Grader, service is available from a single provider	September 2022	Bell Equipment Sales SA Limited	38 331	Grader Services Repairs
Bell is the manufactor of the Grader, service is available from a single provider	September 2022	Bell Equipment Sales SA Limited	15 652	Grader Repairs
An urgent attention is required and health concerns has to be taken into account, for this reason it is an emergency	October 2022	Faliphi Construction PTY LTD	130 194	Emergency
The truck is need to collect skip bins in municipal wards, failure to repair it in time will results in hygiene issues hence it is an emergency.	October 2022	Powerstar Services Centre	44 335	Emergency
Grader NRB73492 Emergency Breakdown in ward 08 Nozambula which compels the municipality to act promptly to avoid the plant being physically harmed	November 2022	Align 360 Sales and Services PTY LTD		
Grader 772G Emergency Breakdown in Sokhulu ward 04 . The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	November 2022	Bell Equipment Sales SA Limited		
TBL Emergency Breakdown, the grader is needed to provide minimum level of basic municipal services.	November 2022	Awandiswe Trading & Projects		
Emergency Electric faulty in Municipal Buildings and has to be repair for smooth operations of the municipality	November 2022	Sibukakonke Electrical Installation		
	November 2022	Maintena Gugulethu Plumbing and Renovation		
	November 2022	Lebowela Hydralic Services PTY LTD		
Municipal Plubic Toilets Repairs and Maintenance. Ablution facilities are important to minimise hygiene issue to communities.	December 2022			
The jaws of life tools are special equipment with hydraulic fluid used for extricating victims of accidents from	December 2022			

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## **Notes to the Annual Financial Statements**

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113 439 Emergency

39 364 Emergency

38 331 Emergency

59 560 Emergency

110 250 Emergency

81 125 Emergency

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand		2023	2022
<b>53. Deviations from supply chain management regulations (continued)</b>			
Municipal Public Toilets Repairs and Maintenance. Ablution facilities are important to minimise hygiene issue to communities.	December 2022	MSV Plumbing Services	92 000 Emergency
Municipal Truck NRB40912 Emergency Breakdown - required an urgent replacement of monitor parts to enable to continue to collect skip bins in and around Mbonambi efficiently	January 2023	Align 360 Sales and Services PTY LTD	21 518 Emergency
Grader 772G Emergency Breakdown AND Repairs and Maintenance, the grader is needed to provide minimum level of basic municipal services.	January 2023	Bell Equipment Sales SA Limited	141 119 Emergency
The municipal grader required an urgent replacement of monitor parts to enable to continue improving municipal roads in Mbonambi efficiently	January 2023	Align 360 Sales and Services PTY LTD	38 331 Emergency
Wheel puncture on the municipal tractor, the case is considered emergency as the grader is needed for the provision of minimum level of municipal basic services Emergency. The electric fault in Thusong centre hinders smooth operations of the municipality	February 2023	Amandla Ethu Equipment CC	41 055 Emergency
Emergency. Truck is needed to do its duties of service delivery by Mfolozi Municipality and failure to the necessary action will result in the municipality not being able to render essential service to community.	March 2023	RCD Electrical and Supplies	22 000 Assessment of power outage and repair cable fault
Emergency, the slasher is needed to provide minimum level of basic municipal services.	March 2023	Faith Eco Projects	181 700 Hiring of Skip Loader Truck
Emergency Breakdown in ward 17, it is important to attend to the issue as the municipal asset could be vandalised if it left unattended.	March 2023	Amandla Ethu Equipment CC	22 414 Repair of tractor slasher
Emergency Breakdown in ward 17, it is important to attend to the issue as the municipal asset could be vandalised if it left unattended.	March 2023	Align 360 Sales and Services Pty Ltd	23 431 Supply and replace new tractor back tyre(tubeless)
Emergency breakdown in ward 2. It is significant to attend to the issue as the municipal asset could be vandalised if it left unattended.	March 2023	Align 360 Sales and Services Pty Ltd	45 877 Repair of grader tyre(incl valve)
Emergency Breakdown in ward 7 which compels the municipality to act promptly to avoid the plant being physically harmed	March 2023	Awandiswe Trading & Projects	13 814 Repair of hydraulic pipe on grader
Emergency Breakdown in Mzingazi . The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	March 2023	RB Plant Repair and Maintenance	38 200 Repair of KCDM Grader:Assessment and repair
The contract with Brand Partners will lapse soon and telephones must be advertised urgently for communication purposes and Ilanga newspaper is the only newspaper for Zulu readers that can be available for days.	March 2023	Ilanga Newspaper	7 984 Adverts for telephone systems
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in english language.	March 2023	Zululand Observer	10 493 Adverts for telephone systems
To ratify minor breaches or error on the advert publicised by the newspaper	March 2023	Ilanga Newspaper	5 284 Erratum for annual reports
To ratify minor breaches or error on the advert publicised by the newspaper	March 2023	Zululand Observer	7 120 Erratum for annual reports
Single provider only. Powerstar is the manufacturer of the truck and supplier of truck.	March 2023	Powerstar	87 336 Repairs and maintenance of the skip loader

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## **Notes to the Annual Financial Statements**

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truck and COR/COF

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022	
<b>53. Deviations from supply chain management regulations (continued)</b>			
The contract with Harvey World Travel lapsed soon and telephones must be advertised urgently and Ilanga newspaper is the only newspaper for Zulu readers that can be available for days.	March 2023	Ilanga Newspaper	11 272 Adverts for travel agency
Single provider only. Municipal photocopying machines is under contract and Konica Minolta is the only provider for toners.	March 2023	Konica Minolta	4 493 Supply of stapler cartridges
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in english language.	March 2023	Zululand Observer	18 988 Adverts for travel agency
Some of the vacancies to be filled urgently to smoothen the operations of the municipality.	March 2023	Ilanga Newspaper	15 029 Adverts for vacant posts
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in english language. Some of the vacancies to be filled urgently to smoothen the operations of the municipality.	March 2023	Zululand Observer	24 278 Adverts for vacant posts
Repairs and maintenance of Equipment	March 2023	Bell Equipment	153 391 Emergency
Repairs and maintenance of grader cutting edges and hydraulic pipe	March 2023	RB Plant Repair and Maintenance	63 046 Emergency
Emergency. The electric fault in Thusong centre hinders smooth operations of the municipality	April 2023	Kevins Key	2 233 Unlocking bathrooms in the office of the Municipal Manager and Thusong Centre Building
Emergency breakdown. It is significant to attend to the issue as the municipal asset could be vandalised if it left unattended.	April 2023	Amandla Ethu Equipment CC	12 225 Repairs and maintenance of grader
Emergency, the grader is needed to provide minimum level of basic municipal services.	April 2023	Bell Equipment	42 226 Re-gas grader air-conditioner & fit spare wheel
The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	April 2023	Align 360 Sales and Services	45 155 Breakdown of municipal graders
The bacteria from a leaking septic system can cause illness. A failing septic system leaking dangerous bacteria into your water can cause illness to you and your pets immediately. There is even risk of serious illnesses.	April 2023	NMBN Group	28 950 Excavation and changing 24mm PVC water & connecting to water to the 5000 liter tank to control over flow & inspection & fixing the water pump in Zonza Library
The truck is need to collect skip bins in municipal wards, failure to repair it in time will results in hygiene issues	hence it is an emergency.	April 2023	JMC SALES AND SERVICES CC

# **uMfolozi Local Municipality**

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## **Notes to the Annual Financial Statements**

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157 765 Repairs and  
maintenance of skip loader truck

## uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>53. Deviations from supply chain management regulations (continued)</b>		
Emergency. Truck is needed to do its duties of service delivery by Mfolozi Municipality and failure to the necessary action will result in the municipality not being able to render essential service to community.	April 2023	FAITH ECO PROJECTS
Emergency Services for health reasons. Desludging your septic tank will ensure the system runs efficiently. If sludge becomes too built up, it can back up essential parts of your system, and your septic tank will not work as efficiently. The municipal grader required an urgent replacement of monitor parts to enable it to function efficiently and effectively.	May 2023	Pelepele Investments PTY LTD
The municipal grader required an urgent replacement of monitor parts to enable it to function efficiently and effectively.	May 2023	SMB Group PTY LTD
Assess and Repair electrical fault in Municipal Executive Office	May 2023	Bell Equipment Sales SA Limited
The municipal grader required an urgent supply of monitor parts to enable the grader to operate in a manner intended.	May 2023	Ma-Ayina Trading PTY LTD
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in English language. Some of the vacancies to be filled urgently to smoothen the operations of the municipality.	May 2023	Align 360 Sales and Services PTY LTD
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in English language. This was for the advertisement 2023/24 Final IDP and Final Annual Budget.	June 2023	Zululand Observer
Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in English language. Some of the vacancies to be filled urgently to smoothen the operations of the municipality.	June 2023	Zululand Observer
Some of the vacancies to be filled urgently to smoothen the operations of the municipality.	June 2023	Ilanga Newspaper
Ilanga is the only newspaper circulating in isiZulu and is available for more than two days, hence the advertisement of 2023/24 Final IDP and Final Annual Budget was an emergency here.	June 2023	Ilanga Newspaper
Some of the vacancies to be filled urgently to smoothen the operations of the municipality: Executive Secretary MM Zululand Observer is the only newspaper circulating locally which is easily accessible by community members and available in English language. It is important that public notices that are directed to community are published in the correct manner.	June 2023	Zululand Observer
The only newspaper published in the area that is available in isiZulu and is readily available to community people is Ilanga. The right way to publish public messages that are intended for the community is crucial.	June 2023	Ilanga Newspaper
This is one of uMfolozi Municipality's hall and it is utilised for various events by the community hence electrical faults and matters are treated with much urgency.	June 2023	Teevo Trading (Pty) Ltd

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand		2023	2022
<b>53. Deviations from supply chain management regulations (continued)</b>			
The TLB is significant in provision of minimum level of municipal basic services and it is important to repair it to avoid service delivery delays	June 2023	RB Plant Repair and Maintenance Fury Motor Group Provincials	177 639 Service provider requested
The truck was purchased from the Fury Motor Provincial therefore it can only be repaired to its initial state by the manufacturer.	June 2023		27 756 The repayment of the Isuzu F-series FTR 850 compactor CHASSIS
Mainteance of building	June 2023	ISABELO SAKA MDLULI TRADING AND CONSTRUCT ION	44 212 Emergency
Emergency. Truck is needed to do its duties of service delivery by Mfolozi Municipality and failure to the necessary action will result in the municipality not being able to render essential service to community.	June 2023	Faith Eco Project	79 000 Emergency
Emergency. Truck is needed to do its duties of service delivery by Mfolozi Municipality and failure to the necessary action will result in the municipality not being able to render essential service to community.	June 2023	Faith Eco Project	165 900 Emergency
Emergency. Truck is needed to do its duties of service delivery by Mfolozi Municipality and failure to the necessary action will result in the municipality not being able to render essential service to community.	June 2023	Faith Eco Project	165 900 Emergency
<b>3 456 466</b>			

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

2023

2022

### 54. Segment information

#### General information

##### Identification of segments

The entity were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis.

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.

##### Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below :

Reportable segment	Goods and/or services
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 programme 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.
Finance and Administration	Provision of financial and administrative services to other segments of the municipality
Planning and Development	Provision of planning and development including policy and procedures. Co-ordination work relating to the preparation of the Annual Development Programme and its review
Public Safety	This segment consists of various departments with aligned objectives. It is responsible for traffic enforcement, and crime prevention.
Road Transport	Construction and maintenance of roads and infrastructure owned by the municipality
Sports and Recreation	Provision of advancement of participation in sport and recreation, fast-tracking the revival of sport, talent identification and optimization of talent, Empowerment programmes.
Waste Management	This segment consists of all services for the management of waste, 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.

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 54. Segment information (continued)

#### Segment surplus or deficit, assets and liabilities

2023

	Community and social services	Energy Sources and Environment al Protection	Executive and Council	Finance and Administratio n	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
<b>Revenue</b>										
Service Charges	-	-	-	-	-	-	-	-	668 998	668 998
Rental of facilities and equipment	-	-	-	560 391	-	-	-	-	-	560 391
Contract revenue	-	-	-	1 976 506	-	-	-	-	-	1 976 506
Licences and permits	-	-	-	9 921	-	-	294 260	-	-	304 181
Operational revenue	-	-	-	1 651 950	-	-	-	-	-	1 651 950
Interest on revenue	-	-	-	5 060 182	-	-	-	-	-	5 060 182
Property rates	-	-	-	27 099 047	-	-	-	-	-	27 099 047
Government grants and subsidies	2 472 000	-	-	163 069 407	991 622	-	43 242 873	330 535	1 847 000	211 953 437
Fines, Penalties and Forfeits	876	-	-	479 350	-	-	-	-	-	480 226
Donation income	2 031 998	-	-	-	-	-	-	-	-	2 031 998
<b>Total segment revenue</b>	<b>4 504 874</b>	-	-	<b>199 906 754</b>	<b>991 622</b>	-	<b>43 537 133</b>	<b>330 535</b>	<b>2 515 998</b>	<b>251 786 916</b>
Reversal of impairments gain										11 657 825
Actuarial gains										240 000
<b>Total revenue reconciling items</b>										<b>11 897 825</b>
<b>Entity's revenue</b>										<b>263 684 741</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Community and social services	Energy Sources and Environmenta l Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total	
<b>54. Segment information (continued)</b>											
<b>Expenditure</b>											
Employee related costs	10 809 156	-	6 747 980	19 986 037	6 167 485	20 121 544	3 213 003	3 484 647	6 930 809	77 460 661	
Remuneration of councillors	-	-	13 257 082	-	-	-	-	-	-	13 257 082	
Depreciation,impairment loss and amortisation	1 627 578	-	-	3 682 537	169 561	-	24 206 292	4 487 622	75 036	34 248 626	
Finance costs	-	-	-	610 818	-	-	-	-	-	610 818	
Lease rentals on operating lease	-	-	17 217	1 007 385	-	-	-	-	-	1 024 602	
Debt impairment	-	-	-	4 016 435	-	-	-	-	-	4 016 435	
Bad debts written off	-	-	-	12 458 419	-	-	-	-	-	12 458 419	
Contracted services	4 929 991	505 500	10 589 024	28 206 538	798 111	151 193	3 600 380	-	3 704 449	52 485 186	
Operational costs	1 184 052	900 679	14 058 425	28 533 184	1 840 062	16 826	1 113 928	3 104	381 127	48 031 387	
Transfers and subsidies	-	-	2 756 698	-	-	1 846 127	-	-	-	4 602 825	
Contract cost - INEP	-	-	-	1 976 506	-	-	-	-	-	1 976 506	
<b>Total segment expenditure</b>	<b>18 550 777</b>	<b>1 406 179</b>	<b>47 426 426</b>	<b>100 477 859</b>	<b>8 975 219</b>	<b>22 135 690</b>	<b>32 133 603</b>	<b>7 975 373</b>	<b>11 091 421</b>	<b>250 172 547</b>	
<b>Total segmental surplus/(deficit)</b>											<b>13 512 194</b>
Loss on disposal of municipal assets											(142 881)
<b>Entity's surplus (deficit) for the period</b>											<b>13 369 313</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Community and social services	Energy Sources and Environmenta l Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total	
<b>54. Segment information (continued)</b>											
<b>Assets</b>											
Receivables from Exchange Transactions	-	-	-	1 969 054	-	-	-	-	-	1 969 054	
Receivables from Non-Exchange Transactions	-	-	-	6 954 467	-	-	1 280 998	-	-	8 235 465	
VAT Receivable	-	-	-	7 701 766	-	-	-	-	-	7 701 766	
Cash and cash equivalents	-	-	-	32 863 046	-	-	-	-	-	32 863 046	
Property, plant and equipment	62 182 298	97 811	30 426	109 859 702	-	209 668	155 707 906	60 364 660	7 779 611	396 232 082	
Intangible assets	-	-	-	212 070	-	-	-	-	-	212 070	
<b>Total segment assets</b>	<b>62 182 298</b>	<b>97 811</b>	<b>30 426</b>	<b>159 560 105</b>	<b>-</b>	<b>209 668</b>	<b>156 988 904</b>	<b>60 364 660</b>	<b>7 779 611</b>	<b>447 213 483</b>	
<b>Total assets as per Statement of financial Position</b>											<b>447 213 483</b>
<b>Liabilities</b>											
Other financial liabilities	-	-	-	3 672 146	-	-	-	-	-	3 672 146	
Unspent conditional grants and receipts	-	-	-	1 904 264	-	-	-	-	-	1 904 264	
Payables from exchange transactions	-	-	-	12 939 120	-	-	-	-	-	12 939 120	
Retention	-	-	-	6 322 803	-	-	-	-	-	6 322 803	
Employee benefit obligation	-	-	-	1 970 000	-	-	-	-	-	1 970 000	
Deferred revenue	-	-	-	727 018	-	-	-	-	-	727 018	
<b>Total segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 535 351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 535 351</b>	

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

Community and social services	Energy Sources and Environmenta l Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
<b>54. Segment information (continued)</b>									
<b>Total liabilities as per Statement of financial Position</b>									<b>27 535 351</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 54. Segment information (continued)

2022

	Community and social services	Energy Sources and Environement al Protection	Executive and Council	Finance and Administratio n	Planning and Development	Public Safety	Road	Sports and Transport	Waste Recreation	Total Management
<b>Revenue</b>										
Service charges	-	-	-	-	-	-	-	-	666 705	666 705
Rental of facilities and equipment	-	-	-	777 059	-	-	-	-	-	777 059
Licenses and permits	-	-	-	4 847	323 591	-	-	-	-	328 438
Operational revenue	-	-	-	314 141	-	-	-	-	-	314 141
Interest on revenue	-	-	-	3 358 728	-	-	-	-	-	3 358 728
Property rates	-	-	-	25 634 673	-	-	-	-	-	25 634 673
Government grants and subsidies	3 037 000	-	-	153 590 593	-	-	42 526 000	7 485 653	1 557 722	208 196 968
Fines penalties and forfeits	726	-	-	534 550	-	-	-	-	-	535 276
Donation income	-	-	-	1 010 143	-	-	-	-	-	1 010 143
<b>Total segment revenue</b>	<b>3 037 726</b>	<b>-</b>	<b>-</b>	<b>185 224 734</b>	<b>323 591</b>	<b>-</b>	<b>42 526 000</b>	<b>7 485 653</b>	<b>2 224 427</b>	<b>240 822 131</b>
Actuarial gain										31 940
<b>Total revenue reconciling items</b>										<b>31 940</b>
<b>Total revenue</b>										<b>240 854 071</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Community and social services	Energy Sources and Environmenta l Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total	
<b>54. Segment information (continued)</b>											
<b>Expenditure</b>											
Employee related costs	11 873 197	-	6 832 500	24 825 017	6 744 398	11 873 697	7 658 757	11 825	3 923 772	73 743 163	
Remuneration of councillors	-	-	12 197 381	-	-	-	-	-	-	12 197 381	
Depreciation, impairment loss and amortisation	5 569 055	-	-	3 266 875	-	130 884	24 154 589	-	-	33 121 403	
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	13 053 390	30 736 525	1 016 106	246 651	5 538 564	-	4 210 273	59 437 347	
Transfers and subsidies	290 008	-	532 839	-	-	-	-	-	-	822 847	
Operational costs	1 287 752	865 274	12 505 902	27 392 025	3 104 738	895 326	297 748	117	1 155 407	47 504 289	
Loss on disposal of assets and liabilities	-	-	-	87 122	-	-	-	-	-	87 122	
<b>Total segment expenditure</b>	<b>23 113 988</b>	<b>1 407 136</b>	<b>45 159 720</b>	<b>88 993 333</b>	<b>10 865 242</b>	<b>13 146 558</b>	<b>37 649 658</b>	<b>11 942</b>	<b>9 289 452</b>	<b>229 637 029</b>	
<b>Total segmental surplus/(deficit)</b>											<b>11 217 042</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

	Community and social services	Energy Sources and Environments Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
<b>54. Segment information (continued)</b>										
<b>Assets</b>										
Receivables from Exchange transactions	-	-	-	1 208 414	-	-	-	-	510 729	1 719 143
Receivables from non-exchange transactions	-	-	-	10 844 255	-	-	-	-	-	10 844 255
VAT receivables	-	-	-	6 062 627	-	-	-	-	-	6 062 627
Cash and cash equivalents	-	-	-	21 760 836	-	-	-	-	-	21 760 836
Property, plant and equipment	105 091 076	97 811	-	89 227 339	93 015	4 120 384	124 034 590	62 476 180	3 834 693	388 975 088
Conditional Grants receivables	-	-	-	4 044 593	-	-	-	-	-	4 044 593
Intangible assets	-	-	-	416 213	-	-	-	-	-	416 213
<b>Total segment assets</b>	<b>105 091 076</b>	<b>97 811</b>	<b>-</b>	<b>133 564 277</b>	<b>93 015</b>	<b>4 120 384</b>	<b>124 034 590</b>	<b>62 476 180</b>	<b>4 345 422</b>	<b>433 822 755</b>
<b>Total assets as per Statement of financial Position</b>										<b>433 822 755</b>
<b>Liabilities</b>										
Payables from exchange transactions	-	-	-	15 066 265	-	-	-	-	-	15 066 265
Unspent conditional grants and subsidies	-	-	-	1 030 296	-	-	-	-	-	1 030 296
Retention	-	-	-	4 984 201	-	-	-	-	-	4 984 201
Other financial liabilities	-	-	-	4 491 174	-	-	-	-	-	4 491 174
Employee benefit obligations	-	-	-	2 002 000	-	-	-	-	14 288	2 016 288
<b>Total segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 573 936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 288</b>	<b>27 588 224</b>

# uMfolozi Local Municipality

(Registration number :KZN281)

Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand

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Community and social services	Energy Sources and Environmenta l Protection	Executive and Council	Finance and Administration	Planning and Development	Public Safety	Road Transport	Sports and Recreation	Waste Management	Total
<b>54. Segment information (continued)</b>									
Total liabilities as per Statement of financial Position									<b>27 588 224</b>

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## 5.2. Grants

Government Grants and Subsidies	2023	2022
<b>Operational grants</b>		
Equitable share	165 314 000	147 696 000
Library Grant	2 472 000	3 037 000
Financial Management Grant	1 800 000	1 850 000
Expanded Public Works Program Grant	1 847 000	1 557 722
Maintenance of Sport Facilities Grant	330 535	37 606
	<b>171 763 535</b>	<b>154 178 328</b>
<b>Capital grants</b>		
Sports and Recreation Grant	-	7 448 047
Municipal Infrastructure Grant	40 189 902	46 570 593
	<b>40 189 902</b>	<b>54 018 640</b>
	<b>211 953 437</b>	<b>208 196 968</b>
<b>Conditional and Unconditional</b>		
Included in above are the following grants and subsidies received and spent:		
Conditional grants received	46 639 437	60 500 968
Unconditional grants received	165 314 000	147 696 000
	<b>211 953 437</b>	<b>208 196 968</b>
<b>Equitable Share</b>		
In terms of section 227 of the Constitution, this grant is used to enable the municipality to provide basic services and perform functions allocated to it. The Equitable Share Grant also provides funding to the municipality to deliver free basic services to poor households and to subsidise costs of administration and other core services of the municipality. The grant is realised in full upon receipt.		
<b>Municipal Infrastructure Grant (MIG)</b>		
Balance unspent at beginning of year	(4 044 593)	-
Current-year receipts	44 491 000	42 526 000
Conditions met - transferred to revenue	(40 189 902)	(46 570 593)
	<b>256 505</b>	<b>(4 044 593)</b>
Conditions still to be met - remain liabilities (see note 12).		
The grant is mainly used to fund infrastructure related projects (mainly as part of the service delivery). Capitalised projects funded by this grant are included in property, plant and equipment whilst the unspent portion of the grant is included in current liabilities.		
<b>Spatial Development Framework Grant</b>		
Balance unspent at beginning of year	260 964	260 964
Conditions still to be met - remain liabilities (see note 12).		

	2023	2022
<b>22. Government grants &amp; subsidies (continued)</b>		
<b>Library Grant</b>		
Current-year receipts	2 472 000	3 037 000
Conditions met - transferred to revenue	(2 472 000)	(3 037 000)
	-	-
The purpose is to fund capital projects and maintenance of library facilities of the community.		
<b>Financial Management Grant</b>		
Current-year receipts	1 850 000	1 850 000
Conditions met - transferred to revenue	(1 800 000)	(1 850 000)
	<b>50 000</b>	-
Conditions still to be met - remain liabilities (see note 12).		
The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.		
<b>Title Deeds Restoration Grant</b>		
Balance unspent at beginning of year	200 000	200 000
Conditions still to be met - remain liabilities (see note 12).		
<b>Development Planning and Shared Services Grant</b>		
Balance unspent at beginning of year	172 498	172 498
Conditions still to be met - remain liabilities (see note 12).		
<b>Small Town Rehabilitation Grant</b>		
Balance unspent at beginning of year	336 034	336 034
Conditions still to be met - remain liabilities (see note 12).		
<b>Sport and Recreation Grant</b>		
Balance unspent at beginning of year	-	4 198 046
Current-year receipts	-	3 250 000
Conditions met - transferred to revenue	-	(7 448 046)
	-	-
<b>Maintenance of Sport Facilities Grant</b>		
Balance unspent at beginning of year	-	37 605
Current-year receipts	898 000	-
Conditions met - transferred to revenue	(330 535)	(37 605)
	<b>567 465</b>	-
<b>Expanded Public Works Programme Grant</b>		
Balance unspent at beginning of year	-	346 722
Current-year repayment	-	(346 000)
Current-year receipts	1 847 000	1 557 000
Conditions met - transferred to revenue	(1 847 000)	(1 557 722)
	-	-

The purpose of the grant is incentives for municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas, in compliance with EPWP guidelines.

## 5.1. Asset Management

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers In/(out)	impairment loss	Donations	Depreciation	Total
Land	16 742 853	-	-	-	-	-	-	16 742 853
Machinery and Equipment	3 928 264	507 726	(141 999)	-	(870 565)	-	(553 097)	2 870 329
Furniture and office equipment	3 836 940	130 546	(237)	-	-	-	(906 343)	3 060 906
Computer Equipment	3 193 652	760 095	(365)	-	-	-	(796 007)	3 157 375
Road Infrastructure	111 284 560	102 516	-	25 747 840	(1 366 850)	-	(11 186 923)	124 581 143
Community Assets	127 694 357	-	-	5 057 196	(6 386 287)	2 031 998	(6 345 627)	122 051 637
Storm Water Infrastructure	2 691 597	-	-	1 213 527	(597)	-	(73 082)	3 831 445
Water Supply Infrastructure	17 586	-	-	-	-	-	(1 954)	15 632
Buildings	49 661 677	171 233	-	-	(413 246)	-	(2 388 762)	47 030 902
Work-in-Progress	54 028 339	37 132 666	-	(32 018 563)	-	-	-	59 142 442
Transport Assets	13 876 491	607 585	-	-	-	-	(2 352 065)	12 132 011
ICT Infrastructure	2 018 767	-	-	-	-	-	(403 360)	1 615 407
	<b>388 975 083</b>	<b>39 412 367</b>	<b>(142 601)</b>	<b>-</b>	<b>(9 037 545)</b>	<b>2 031 998</b>	<b>(25 007 220)</b>	<b>396 232 082</b>

## 5.2. 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

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

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

<b>1</b>	Operating Expenditure Budget Implementation Indicator	95% - 100%	108 %
<b>1</b>	Operating Revenue Budget Implementation Indicator	95% - 100%	98 %
<b>1</b>	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	91 %

### 5.3. Capital Expenditure

Budget on Cash Basis		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Figures in Rand</b>							
Finance costs		(445 000)	-	(445 000)	(610 818)	165 818	37% 5
Lease rentals on operating lease		-	-	-	(1 024 602)	1 024 602	100% 6
Debt impairment		(2 189 000)	476 000	(1 713 000)	(4 016 435)	2 303 435	134%
Bad debts written off		-	-	-	(12 458 419)	12 458 419	100% 7
Contract costs - INEP		-	-	-	(1 976 506)	1 976 506	100% 9
Contracted Services		(47 580 000)	(1 212 000)	(48 792 000)	(52 485 186)	3 693 186	7%
Transfers and Subsidies		(2 769 000)	210 000	(2 559 000)	(4 602 825)	2 043 825	79% 8
Operational Costs		(40 781 000)	(2 163 000)	(42 944 000)	(48 031 387)	5 087 387	16% 9
<b>Total expenditure</b>		<b>(208 702 000)</b>	<b>901 000</b>	<b>(207 801 000)</b>	<b>(250 172 547)</b>	<b>42 371 547</b>	
<b>Operating deficit</b>		<b>1 177 000</b>	<b>315 000</b>	<b>1 492 000</b>	<b>(38 575 533)</b>	<b>(40 067 533)</b>	
Loss on disposal of municipal assets		-	-	-	(142 881)	142 881	100% 10
Reversal of Impairment gain/(loss)		-	-	-	11 657 825	(11 657 825)	100% 11
Actuarial gains/losses		-	-	-	240 000	(240 000)	100% 12
Transfers and subsidies - <b>capital</b> (Monetary calculations National/Provincial/District)		28 016 000	14 250 000	42 266 000	40 189 902	2 076 098	4%
		<b>28 016 000</b>	<b>14 250 000</b>	<b>42 266 000</b>	<b>51 944 846</b>	<b>(9 678 846)</b>	
<b>Surplus for the year</b>		<b>29 193 000</b>	<b>14 565 000</b>	<b>43 758 000</b>	<b>13 369 313</b>	<b>(30 388 687)</b>	

### 5.4. Sources of Finance

Government Grants and Subsidies	2023	2022
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<b>Operating grants</b>		
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
	<b>* 154 178 328</b>	<b>173 314 885</b>
<b>Capital grants</b>		
Sports and Recreation Grant	7 448 047	8 751 077
Municipal Infrastructure Grant	42 526 000	43 592 000
	<b>49 974 047</b>	<b>52 343 077</b>
	<b>204 152 375</b>	<b>225 657 962</b>
<b>Equitable Share</b>		
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.		
<b>Equitable share reconciliaiton</b>		
Equitable share allocation	147 696 000	167 293 000
Eqitable share disclosed	(147 696 000)	(166 548 000)
	<b>-</b>	<b>745 000</b>
<b>Municipal Infrastructure Grant (MIG)</b>		
Current-year receipts	42 526 000	43 592 000
Conditions met - transferred to revenue	(42 526 000)	(43 592 000)
	<b>-</b>	<b>-</b>
<b>Spatial Development Framework Grant</b>		
Balance unspent at beginning of year	260 964	260 964
<b>Library Grant</b>		
Current-year receipts	3 037 000	2 898 000
Conditions met - transferred to revenue	(3 037 000)	(2 898 000)
	<b>-</b>	<b>-</b>
<b>Financial Management Grant</b>		
Current-year receipts	1 850 000	1 900 000
Conditions met - transferred to revenue	(1 850 000)	(1 900 000)
	<b>-</b>	<b>-</b>
<b>Title Deeds Restoration Grant</b>		
Balance unspent at beginning of year	200 000	200 000
<b>Development Planning and Shared Services Grant</b>		
Balance unspent at beginning of year	172 498	172 498
<b>Small Town Rehabilitation Grant</b>		
Balance unspent at beginning of year	336 034	336 034
<b>Sport and Recreation Grant</b>		
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)
	<b>-</b>	<b>4 198 046</b>

<b>Schemes Support Program Grant</b>				
Balance unspent at beginning of year		60 800	60 800	
		<hr/>	<hr/>	
<b>Maintenance of Sport Facilities Grant</b>				
Balance unspent at beginning of year	37 605	565 212		
Conditions met - transferred to revenue	(37 605)	(527 607)		
	<hr/>	<hr/>	<hr/>	
	-	37 605		
		<hr/>	<hr/>	
<b>Expanded Public Works Programme Grant</b>				
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)		
	<hr/>	<hr/>	<hr/>	
	-	346 722		
		<hr/>	<hr/>	
<b>Integrated National Electrification Grant</b>				
Current-year receipts	-	9 000 000		
Conditions met - transferred to revenue	-	(9 000 000)		
	<hr/>	<hr/>	<hr/>	
	-	-		

#### COMMENT ON SOURCES OF FUNDING:

Sources of funding from the Department of Corporate Governance and Traditional Affairs, a gazetted amount of R 29 491 000.00 for the year 2022/2023.

### 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 financed by MIG. 100% of Capital Budget spent and MIG topped up with R15 million during the financial year.

#### 5.5. Capital Spending on 5 Largest Projects

Capital Expenditure of 5 Largest Projects					
Name of Project	Current: 2022/2023			Variance: 2021/2022	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A –	R 4 899 163.19	N/A	R4.6m	0	0
B –	R4 579 313.60	N/A	R4.3m	0	0
C –	R5 328 412.08	N/A	R5.2m	0	0
D –	R4 969 861.99	N/A	R4.7m	0	0
E –	R 4 066 518.75	N/A	R 3.2m		
<i>*Projects with the highest capital expenditure</i>					
Name of Project – A	Ndlabeyilandula Access Road				

<b>Objective of Project</b>	Access Road Infrastructure
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Ward 03
<b>Name of Project – B</b>	Embangweni Access Road
<b>Objective of Project</b>	Access Road Infrastructure
<b>Delays</b>	SCM processes
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Ward 12

<b>Name of Project – C</b>	Mashobeni Access road
<b>Objective of Project</b>	Access Road Infrastructure
<b>Delays</b>	SCM Processes
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Ward 04
<b>Name of Project – D</b>	Phikaqede Access Road
<b>Objective of Project</b>	Access Road Infrastructure
<b>Delays</b>	SCM Processes
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Ward 15
<b>Name of Project – E</b>	Sabokwe Access Road
<b>Objective of Project</b>	Access Roads Infrastructure
<b>Delays</b>	SCM Processes
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Ward 02

#### COMMENT ON CAPITAL PROJECTS:

The projects above were completed successfully, the workmanship and quality of works were up to the required standard and specification. The lesson learnt is that we should always avoid appointment of contractor above the NOR value as it has severe impact on or expenditure reporting system.

#### 5.6. 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

#### 5.7. Cash Flow

## Cash Flow Statement

Figures in Rand

Note(s) 2023 2022  
Restated\*

### Cash flows from operating activities

#### Receipts

Sale of goods and services	33 825 084	21 194 408
Grants	212 827 405	203 614 594
Interest income	5 060 182	3 358 728
Fines, Penalties and Forfeits	480 226	535 276
	<u>252 192 897</u>	<u>228 703 006</u>

#### Payments

Employee costs	(91 303 611)	(85 554 718)
Suppliers	(109 149 863)	(101 644 630)
Finance costs	(405 818)	(616 871)
	<u>(200 859 292)</u>	<u>(187 816 219)</u>

### Net cash flows from operating activities

38 51 333 605 40 886 787

### Cash flows from investing activities

Purchase of property, plant and equipment	8 (39 412 367)	(54 809 944)
Proceeds from sale of property, plant and equipment	8 -	1 170 743
	<u>(39 412 367)</u>	<u>(53 639 201)</u>

### Cash flows from financing activities

Repayment of other financial liabilities	(819 028)	(738 043)
<b>Net cash flows from financing activities</b>	<b>(819 028)</b>	<b>(738 043)</b>

### Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year	21 760 836	35 251 293
<b>Cash and cash equivalents at the end of the year</b>	<b>7 32 863 046</b>	<b>21 760 836</b>

## 5.8. Borrowing and Investments

The municipality during the current year under review opened on a quarterly basis a fixed deposit investment account which it earned additional interest that was deposited back into the Nedbank investment account. Investment income is recognised on a time-proportion basis using the effective interest method.

## Component D: Other Financial Matters

## 5.9. Supply Chain Management - Deviations

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 Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been approved by the Accounting Officer and have noted by Council. Furthermore, management did not note any material non-compliance with the Municipal Finance Management Act.

Reasons	Month	Supplier	Amount	Description
An urgent attention is required and health concerns has to be taken into account, for this reason it is an emergency.	July 2022	Phozongo Trading PTY LTD	24 011	Mawombe Sports Ground Plumbing
Emergency Breakdown. The vehicle is used for municipal basic services and it is significant to repair it for continued functioning of the institution.	July 2022	PowerTech Service Centre	27 612	Municipal Vehicle NRB 40912 Repairs
Emergency Services. The jaws of life tools are special equipment with hydraulic fluid used for extricating victims of accidents from compressed areas, especially during a fatal car crash.	July 2022	Lebowela Hydraulic Services PTY LTD	112 500	Municipal Jaws of Life Service
Strip and quote .The vehicle is used for provision of municipal services hence it is significant to repair to minimise the risk to individual and other road users.	August 2022	Nqolamasondo Investment PTY LTD	78 310	Municipal Vehicle Fintess Test
TLB Emergency breakdown . The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	August 2022	RB Plant Repairs	73 551	Municipal Plant Breakdown
Bell is the manufactor of the Grader, service is available from a single provider	September 2022	Bell Equipment Sales SA Limited	38 331	Grader Services Repairs
Bell is the manufactor of the Grader, service is available from a single provider	September 2022	Bell Equipment Sales SA Limited	15 652	Grader Repairs
An urgent attention is required and health concerns has to be taken into account, for this reason it is an emergency	October 2022	Faliphi Construction PTY LTD	130 194	Emergency
The truck is need to collect skip bins in municipal wards, failure to repair it in time will results in hygiene issues hence it is an emergency.	October 2022	Powerstar Services Centre	44 335	Emergency
Grader NRB73492 Emergency Breakdown in ward 08 Nozambula which compels the municipality to act promptly to avoid the plant being physically harmed	November 2022	Align 360 Sales and Services PTY LTD	113 439	Emergency
Grader 772G Emergency Breakdown in Sokhulu ward 04 . The municipal grader required an urgent replacement of monitor parts to enable to continue to carry out grading of gravel roads in and around Mbonambi efficiently	November 2022	Bell Equipment Sales SA Limited	39 364	Emergency
TBL Emergency Breakdown, the grader is needed to provide minimum level of basic municipal services.	November 2022	Awandiswe Trading & Projects	38 331	Emergency
Emergency Electric faulty in Municipal Buildings and has to be repair for smooth operations of the municipality	November 2022	Sibukakonke Electrical Installation Maintena	59 560	Emergency
Municipal Plubic Toilets Repairs and Maintenance. Ablution facilities are important to minimise hygiene issue to communities.	December 2022	Gugulethu Plumbing and Renovation	110 250	Emergency
The jaws of life tools are special equipment with hydraulic fluid used for extricating victims of accidents from compressed areas, especially during a fatal car crash.	December 2022	Lebowela Hydraulic Services PTY LTD	81 125	Emergency

## 5.10. 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 2022. 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-General's 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 2021/2022

#### 6.1. Auditor General Reports 2021/2022

<b>Auditor General Report on Financial Performance</b>	
<b>Audit Report Status:</b>	Unqualified with matters

<b>Auditor General Report on Service Delivery Performance</b>	
<b>Audit Report Status:</b>	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 **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



*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 (2022/2023)

### 6.2. Auditor General Report (2022/2023)

## Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on uMfolozi Local Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the uMfolozi Local Municipality set out on pages **xx to xx**, which comprise the statement of financial position as at 30 June 2023, 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 Local Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (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 responsibilities of the auditor-general 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 matters

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

### *Receivables from non-exchange transactions – allowance for impairment*

7. As disclosed in note 5 to the financial statements, a provision for impairment of R11,73 million (2021-22: R19,53 million) on receivables from non-exchange transactions was made as the recoverability of these amounts was doubtful.

### *Bad debts written off*

8. As disclosed in note 33 to the financial statements, material losses of R12,46 million (2021-22: R0) were incurred because of a write-off of irrecoverable consumer debtors and traffic fines.

### *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 particulars of non-compliance with the MFMA should be disclosed 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 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 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.

### *Responsibilities of the auditor-general 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

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area (KPA)	Page numbers	Purpose
<b>Basic service delivery</b>	XX-XX	To ensure the provision of basic services and creation of safe and healthy environment to municipality communities

17. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner

- there is adequate supporting evidence for the achievements reported and for any measures taken to improve performance.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

20. The material finding on the reported performance information for the selected key performance area is as follows:

### *Key performance area 2 – basic service delivery*

#### **% of the installation of electrification network**

21. An achievement of 79% was reported against a target of 100%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

#### **Other matters**

22. I draw attention to the matters below.

#### *Achievement of planned targets*

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for measures taken to improve performance. This information should be considered in the context of the material finding on the reported performance information.

#### *Material misstatements*

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the basic service delivery key performance area. Management did not correct all of the misstatements and I reported a material finding in this regard.

#### *Report on compliance with legislation*

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor- General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### *Financial statements*

29. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue from non-exchange transactions, receivables from non- exchange transactions and expenditure identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

#### *Revenue management*

30. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

#### *Procurement and contract management*

31. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
32. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).
33. Some of the contracts were awarded to bidders based on points given for legislative requirements that differed from those stipulated in the original invitation for bidding. This is in contravention of SCM regulations 21(b) and 28(1)(a)(i ) and the Preferential Procurement Regulations.
34. The preference point system was not applied for some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.
35. Sufficient appropriate audit evidence could not be obtained that tenders which failed to achieve the minimum qualifying score for functionality were disqualified as unacceptable tenders in accordance with Preferential Procurement Regulation 5(6) of 2017.
36. Some of the construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and in accordance with section 18(1) of the CIDB Act.

### *Consequence management*

37. 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.
38. 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*

39. Reasonable steps were not taken to prevent unauthorised expenditure of R 42,98 million as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. Most of the unauthorised expenditure was caused by lack of expenditure controls over ensuring that spending was in line with allocated budgets.
40. Reasonable steps were not taken to prevent irregular expenditure of R34,50 million as disclosed in note 50 to the annual financial statements, as required by section 62(1)(d). The majority of the irregular expenditure was caused by SCM non- compliance.

### *Other information in the annual report*

41. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.
42. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
43. My responsibility is to read this other information and, in doing so, consider whether it 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. The other information I obtained prior to the date of this auditor's report is the draft annual report received with the submission of the annual financial statements. The final annual report is expected to be made available to us after 30 November 2023.
45. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

46. When I do receive and read the final annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### **Internal control deficiencies**

47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

48. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

49. A lack of key preventative controls and diligence around the preparation of the financial statements and annual performance report, as well as effective oversight and monitoring over compliance activities were lacking. This is evidenced by the material misstatements and non-compliances identified during the audit. Coupled with ineffective management supervision and review, the audit action plans were not steadfastly monitored to address repetitive findings.

### **Material irregularities**

50. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

#### **Material irregularities identified during the audit**

51. The material irregularity identified is as follows:

#### ***Value-Added Taxation (VAT) consultancy services – Maximum Profit Recovery (Pty) Ltd***

52. The municipality entered into a contract with Maximum Profit Recovery (Pty) Ltd on 28 April 2021 for the performance of all VAT return functions on behalf of the municipality for a period of three (3) years. There was no evidence of a needs assessment being done before the services were procured nor was there evidence of skills transfer over the period that the service provider rendered services. This resulted in the uneconomic utilisation of municipal resources in contravention of section 62(1)(a) of the MFMA.

53. The accounting officer was notified of this material irregularity on 10 May 2023 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting officer responded to the material irregularity indicating that the municipality would observe the contract until it expires on 25 April 2024 to avoid legal costs or risk of litigation and would follow the approach of gradually reducing the work referred to the consultants. The municipality would not be renewing any consultant contracts which are due to expire over the course of the current and next financial year.

54. I will follow up on the planned actions during my next audit.

Pietermaritzburg 30

November 2023



## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### *Professional judgement and professional scepticism*

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 selected requirements in key legislation.

### *Financial statements*

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
- conclude on the appropriateness of the 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*

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Section 1 – paragraph (a), (b) &amp; (d) of the definition: irregular expenditure</p> <p>Section 1 – definition: service delivery and budget implementation plan</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1),</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a),</p> <p>Sections 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), 62(1)(f)(ii),</p> <p>Sections 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e),</p> <p>Sections 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j),</p> <p>Sections 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b),</p> <p>Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a),</p> <p>Sections 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulation 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), 17(1)(b),</p> <p>Regulations 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e),</p> <p>Regulations 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a) and (b), 29(5)(a)(ii), 29(5)(b)(ii),</p> <p>Regulations 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i),</p> <p>Regulations 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)</p>
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Sections 11(6)(b), 12(5), 16(1); 16(3)

<b>Legislation</b>	<b>Sections or regulations</b>
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 27(1), 29(1)(b)(ii), 29(2)(a), Sections 29(2)(c), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, Sections 43(2), 56(a), 57(2)(a), 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), Sections 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(5)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

### 6.3. Management Action Plan (Current Year)

### 6.3. Management Action Plan (Current Year)

#### UMFOLOZI LOCAL MUNICIPALITY ACTION PLAN TO ADDRESS AUDIT FINDINGS FOR 2023-24 FINANCIAL YEAR

Type of Opinion : Unqualified with matters  
 Type of Opinion Previous Year : Unqualified with matters

AUDIT FINDING	INTERNAL CONTROL DEFICIENCY	DEPARTMENT	PERSON RESPONSIBLE	ACTION DATE	PROGRESS IN PERCENTAGE %	COMMENTS/REMARKS	AK Annexure A - Affected the audit option B- Did not affect the audit option	AFS Section	Action	Progress	Deadline
1. High level review of annual financial statements (COMAF 1)	The processes over the review of the annual financial statements were not effective as they did not include a review of the internal control deficiency that has been identified on the oversight responsibility charged with management regarding reviews of annual financial statements and related internal controls.	FINANCIAL SERVICE	CFO	31-Jan-24	0%	Management will ensure that Annual Financial Statement will be adequately reviewed prior to submission and ensure that all information presented in the annual financial statements is presented and disclosed completely	B	AFS	1. To develop an AFS to be able to monitor progress for AFS' preparation  2. To complete AFS preparation earlier than 31 August 2024 and submit to Internal Audit and Management to have sufficient time to review the AFS.	AFS Plan - 31 Jan 2024  Interim AFS - 31 Jan 2024  AFS Review by IA - 31 Mar 2024	
2. Non-compliance and internal control deficiency on functioning of the audit committee (COMAF 3)	The audit committee did not perform adequate monitoring over legislation and best practices to ensure that all the MfMA requirements are complied with.	OFFICE OF THE MUNICIPAL MANAGER	MM	31-Jan-24	0%	Review of the contractual terms and conditions of Audit management committee chairperson. Assessment of the currently appointed chairperson's performance and based on the outcomes, appointment of a new chairperson.	B				
3. The audit committee did not assess the expertise of the finance function and effectiveness of Information Technology (COMAF 3)	The audit committee did not ensure compliance with terms of reference and annual planner for National and Provincial Government Audit Committees practices outlined in the Public Sector Audit Committee Forum.	OFFICE OF THE MUNICIPAL MANAGER	MM	31-Jan-24	0%	Management will ensure the effectiveness of the Audit Committee. Audit Committee Member's individual performance as per the SLA with the Municipality thoroughly reviewed. Council's oversight role over the Audit Committee will be reviewed to ensure the powers and functions of the Audit Committee are implemented as per the legislation.	B				
4. Impairment cost per the schedules do not agree to the impairment as per fixed asset register (COMAF 11)	Management did not ensure that the supporting calculations submitted to the AG agreed with the amounts included in the Fixed Asset Register and further per the annual financial statements.	FINANCIAL SERVICE	Finance Manager	31-Jan-24	0%	Management will ensure that regular (monthly) reconciliation will be performed all variances to be investigated. Proper reviews to the financial statements will be done by the relevant structures.	B	Assets	To adequately review the FAR and supporting documents and ensure that the documents are aligned with the FAR.	Interim AFS - 31 Jan 2024  AFS Review by IA - 31 Mar 2024	
5. Impairment conditions as per the FAR do not agree to the conditions stipulated in the closeout report (COMAF 11)	Management did not implement sufficient review measures to ensure that the condition as stated in the impairment report agree to the FAR as well as the underlying asset itself	FINANCIAL SERVICE	Finance Manager	31-Jan-24	0%	Management will ensure that Engineers report on infrastructure Assets are considered to be aligned with the close out report to enable to identify any impairment indicators. Proper reviews to the financial statements will be done by the relevant structures.	B	Assets	To adequately review the FAR and supporting documents and ensure that the documents are aligned with the FAR.	Interim AFS - 31 Jan 2024  AFS Review by IA - 31 Mar 2024	
6. Work in progress not accurately disclosed (COMAF 21)	Management did not perform adequate reviews to ensure that the annual financial statements submitted are accurate and comply with the applicable accounting framework	FINANCIAL SERVICE	Finance Manager	31-Jan-24	0%	Management will ensure that Annual Financial Statement will be adequately reviewed prior to submission and ensure that all information presented in the annual financial statements is presented and disclosed completely	B	Assets	To ensure that WIP disclosure is in line with GRAP 17	Interim AFS - 31 Jan 2024  AFS Review by IA - 31 Mar 2024	
7. WIP asset taking longer to be completed not disclosed in the annual financial statements (COMAF 21)	Management did not perform adequate reviews to ensure that the annual financial statements submitted are accurate and comply with the applicable accounting framework	FINANCIAL SERVICE	Finance Manager	31-Jan-24	0%	Management will ensure that Annual Financial Statement will be adequately reviewed prior to submission and ensure that all information presented in the annual financial statements is presented and disclosed completely	B	Assets/ AFS Disclosure	To ensure that WIP disclosure is in line with GRAP 17	Interim AFS - 31 Jan 2024  AFS Review by IA - 31 Mar 2024	
8. Project with impairment indicators not assessed for impairment (COMAF 32)	Management lack of controls over management and monitoring of assets included in the impairment assessment not done for assets with impairment indicators as per the GRAP standards.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	31-Jul-24	0%	The PMU unit together Asset Management Unit will work closely to identify any potential impairment for Project still work in progress. The working relations will determine whether any damages caused by the floods or any natural disaster will be considered as impairment. Any disclosure in the AFS will be considered once the review has been completed.	B	Assets	After completion of asset verification, any assets identified to be poor and very poor will be assessed for impairment.	31/07/2024	
9. Potential fruitless and wasteful expenditure on the project (COMAF 32)	Financial and performance management - Prepare regular, accurate and complete financial and performance reports to be supported and evidenced by reliable information.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	31-Mar-24	0%	Management will develop controls to monitor service providers and all payments made should be supported by the financial report and an independent verification on the work performed on the project prior to payments being made.	B	Assets			

10. Retentions released for incomplete projects (COMAF 32)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. Management does not have processes in place to monitor that retention is released for projects that meet the conditions as specified in the service level agreements.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	30-Jun-24	0%	Management will do a thorough review of the retention's conditions before the retention is released. The management will also ensure that it renders all of the remaining services on the project for which the retention has been paid, and will identify the correct treatment of the retention amount made to the supplier which is not in line with GRAP.	B	Trade Payables	Management to ensure completion of projects prior to payment for retention claims		31/07/2024
11. Assets with unreasonable useful lives (COMAF 43)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager	31-Jan-24	0%	Management will do a thorough review for the useful lives, residual values and estimated useful lives. Furthermore, management will ensure that AFS are aligned to GRAP 3 disclosure for any changes in useful lives	B	Assets	Perform a review of the assets useful lives and align it to the asset verification report.		Interim AFS - 31 Jan 2024 AFS Review by IA - 31 Mar 2024
12. Software expenditure incorrectly classified as intangible assets (COMAF 23)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	30-Jun-24	0%	Management will implement internal controls to identify and monitor intangible assets and to ensure compliance with applicable reporting framework.	B	Assets/ Expenditure	Perform a review of additions against the GRAP definition of an asset (PPE/ Intangible)		Interim AFS - 31 Jan 2024 AFS Review by IA - 31 Mar 2024
13. Items incorrectly recorded as revenue in the annual financial statement (COMAF 10)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	30-Jun-24	0%	Management and oversight structures will strengthen reviews over the annual financial statements to be submitted to the audit to ensure that errors, omissions and inconsistencies which may be prevalent are identified and corrected prior to the annual financial statements being submitted to the auditors.	B	Revenue	Finding resolved, no further action needed.	N/A	N/A
13.1 Items incorrectly included as revenue											
13.2 Differences noted on property rates											
14. Debt impairment incorrectly calculated (COMAF 19)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	CHIEF FINANCIAL OFFICER	31-Jan-24	50%	Management will review the impairment calculation, then re-calculates debt impairment and effect the necessary adjustments to the annual financial statements to ensure fair presentation. Management and oversight structures will also strengthen reviews over the annual financial statements to be submitted for audit to ensure that errors, omissions and inconsistencies which may be prevalent are identified and corrected prior to the annual financial statements being submitted to the auditors.	A	Trade Receivables	To formulate a standard template for calculation debt impairment and align the calculation to the prescripts of GRAP 104 and municipal debtors management policy. To be included in the Interim AFS set.		Interim AFS - 31/01/2024 Interim AFS Review by IA - 31/03/2024
15. Conditions met in the prior year, but revenue recognised in the current year (Cut-off) (COMAF 10)	Management did not ensure that annual financial statements are properly reviewed before submitting for audit and that transactions have been recorded in the correct periods.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	50%	Management and oversight structures (Internal Audit and Audit Committee) will strengthen reviews over the annual financial statements to be submitted for audit to ensure that errors, omissions and inconsistencies which may be prevalent are identified and corrected prior to the annual financial statements being submitted to the auditors.	A	Unspent Grants	To conduct a review of the grant revenue recognised and propose the relevant journals to correctly account for grant revenue		Interim AFS - 31/01/2024 Interim AFS Review by IA - 31/03/2024
16. No social relief funds policy or standard operating procedure (COMAF 10)	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	0%	Management and oversight structures will ensure that the municipality has policies in place to ensure that funds allocated to the municipality are properly utilized in line with laws and regulations that governs the municipality.	B	CFO			
17. No Debt Collection Department at Umfolozi Local Municipality (COMAF 10)	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	0%	Management will implement controls to monitor and collect all overdue accounts to avoid financial losses. revenue unit will submits monthly statements to ratepayers. Individual ratepayers owing more than 90 days are contacted by the revenue unit to encourage them to make payments to their accounts. Management will also encourage the rate payers by discounting the overdue accounts and offer resolution for ease of payment for their overdue accounts.	B	CFO			
18. Properties on valuation report with zero market values (COMAF 19)	Management did not perform adequate reviews and reconciliations of the valuation rolls and billing reports to ensure the accuracy and completeness of property rates and refuse in the financial statements.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	0%	Management will perform regular reviews on revenue collected, management will further perform reviews on the valuation rolls to ensure that properties on the valuation roll have correct market values. The municipality will update the valuation roll and value data for properties that were not listed.	A	Revenue	1. To perform a reconciliation of all properties with zero values to its Parent Property with a value above zero 2. To perform a reconciliation to link those properties to monthly Billing		1. Valuation Reconciliation - 31/01/2024 2. Billing Reconciliation - 31/07/2024
19. No supporting documents to support the indigent register (COMAF 23)	The municipality does not keep the required documents to support the register and as a result we cannot verify the validity of the indigent debtors. Free basic services may be provided to individuals who do not qualify.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Mar-24	0%	Management will ensure that proper records are kept to support information reported in the financial statements. All supporting documents for indigent applicants will be kept by the municipality to support costs incurred by the municipality in providing free basic services.	B	Revenue/ CFO			

20. Integrated National Electrification Programme grant not accounted as per National Treasury guidelines (COMAF 18)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	50%	Management will ensure that its accounting policies on construction contracts are fully in line with GRAP 3 and are complete in all material respects with GRAP 1.132 and GRAP1.133.	A	Unspent Grants	1. To review INEP transactions and ensure that they are correctly accounted for in the GL and complies with the relevant GRAP Standards	Interim AFS - 31/01/2024 Interim AFS Review by IA - 31/03/2024
21. Inadequate supporting documentation for fuel and oil expenditure (COMAF 26)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Mar-24	0%	The internal controls are in place since the vehicles authorised is only the vehicles for the municipality. Furthermore, the list of the vehicles that must fill fuel and oil up is maintained. The driver has to sign off the authorised vehicles can be provided with the service and the list is updated as and when required. The driver needs to sign the receipt and the receipt is stamped with the date it has been rendered and the duplicate is left with the garage. Auditorium reading is used to monitor the filling per vehicle and is reviewed monthly. Action is made. Going forward Management will formalise the agreement with KwaMbonambi Engineering.	B	Expenditure		
22. No Proof of Receiving Goods/Services- Lease Rentals (COMAF 20)	Management did not ensure proper record keeping of all payments made in relation to goods and services received by the Municipality.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	0%	Management will ensure that payment vouchers are compiled and reviewed consisting of invoices, goods received notes, statements etc. that will ascertain that the services received have been rendered. Management will also ensure that payment authorizations are made strictly based on supporting documentation as per the supplier.	B	Expenditure		
23. Water and waste expenses incorrectly classified as electricity expenses (COMAF 27)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	31-Jan-24	0%	Management and oversight structures will strengthen reviews over the annual financial statements to be submitted to auditors to ensure consistency and inconsistencies which may be present are identified and corrected prior to the annual financial statements being submitted to the auditors.	B	Expenditure	To perform a review of allocation of expenditure in the GL	Interim AFS - 31 Jan 2024 AFS Review by IA - 31 Mar 2024
24. Payments not made within 30 days of receiving invoice (COMAF 27)	Review and monitor compliance with applicable laws and regulations.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	30-Jun-24	0%	Management will implement the internal controls where user departments each signs declaration forms. A centralized email address has been put in place and suppliers are aware of this and has been making use of this address in the past two years. Management will further set in place a register to monitor the suppliers' invoices that are received.	B	Expenditure		
25. Payments incorrectly included in the current financial period belonging to the 2021/22 and 2023/24 periods (cut-off) (COMAF 27)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	30-Jun-24	0%	Management will implement stringent controls in the expenditure section to ensure that expenditure incurred is reported in the correct period	B	Expenditure	To perform a review of cut-off on expenditure in the GL	Interim AFS - 31 Jan 2024 AFS Review by IA - 31 Mar 2024
26. Cellphone allowance paid without approval (COMAF 22)	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	FINANCIAL SERVICE	Manager:HR	30-Jun-24	0%	Management will ensure that controls are implemented to support expenditure incurred to ensure compliance with laws and regulations. Existing controls will be reviewed for any addendum to be signed by the employees receiving cellphone allowances	B	HR/ Payroll		
27. Annual leave taken without approved application forms (COMAF 28)	Management did not ensure stringent and proper administration of the annual leave days taken by the employees as per section 6.1 of the approved leave policy.	FINANCIAL SERVICE	Manager:HR	30-Jun-24	0%	Management will ensure that employees fill and sign the application forms for annual leave in a timely manner. Management will ensure proper record keeping of all supporting documentation relating to all types of leave taken by employees to prevent leave taken without approval.	B	HR/ Payroll		
28. Inadequacies in payments made to employee discharged for absconding (COMAF 34)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Manager:HR	30-Jun-24	0%	Management will ensure due care and take all reasonable steps to prevent payment of salaries to employees who have not reported for duty or followed proper channels to apply and be approved for leave. Continuous review of attendance registers and follow up on employees who have not signed will be done to ensure that this has been noted prior to the payroll preparation period.	B	HR/ Payroll		
29. VAT receivables amount as per the VAT receivables do not agree to the amount as per the Annual financial statements (COMAF 24)	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	FINANCIAL SERVICE	Finance Manager/Chief Financial Officer	30-Jun-24	0%	Management will implement controls to ensure that the underlying schedules submitted agree to the annual financial statements.	B	VAT	Finding resolved, no further action needed.	N/A

30. VAT receivable incorrectly calculated (COMAF 37)	The Municipality did not ensure that all VAT schedules and VAT 2015 are reviewed by the Financial Manager. Management preparing the VAT 2015 did not ensure that the evidence for figures in the financial statements has been appropriately reviewed for accuracy.	FINANCIAL SERVICE	Finance Manager	30-Jun-24	0%	Management will implement a monthly reperform VAT receivable calculations and adjust the annual financial statements	B	VAT	Finding resolved, no further action needed.	N/A	N/A
31. Irregular expenditure register not complete (COMAF 33)	Financial and performance management - Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.  Management did not perform an adequate review of the financial statements to ensure that the financial statements submitted for audit were fairly presented and disclosure notes complete.	FINANCIAL SERVICE	SCM Manager	31-Dec-23	100%	Management will ensure that the irregular expenditure register is frequently updated.	A	SCM			
32. Unauthorised, Irregular, Frivolous and wasteful expenditure not prevented (COMAF 12)	Financial and performance management - Review and monitor compliance with applicable laws and regulations.  Management did not monitor compliance with MfMA and related legislative prescripts to prevent unauthorised, irregular, frivolous and wasteful expenditure being incurred by the municipality.	FINANCIAL SERVICE	SCM Manager	31-Jan-24	0%	Management to prepare a reduction plan/ strategy to assist with the prevention of Unauthorised, Irregular, Frivolous and wasteful expenditure.	A	SCM			
33. No investigation conducted on Unauthorised and Frivolous and Wasteful Expenditure in the current financial year (COMAF 19)	Leadership: Exercise oversight responsibility regarding financial and performance reporting and compliance with established internal controls. Management did not exercise oversight responsibility over the investigations of unauthorised, irregular, frivolous and wasteful expenditure.	FINANCIAL SERVICE	CFO	31-Jan-24	0%	Management to refer the matter to MPAC for investigation.	A	SCM			
34. Procurement of items split into lesser value (COMAF 8)	The procurement plan was not implemented nor monitored to enable adherence to SCM legislation. In addition, key control activities such as reviews, supervision and monitoring were not implemented to enable SCM officials to comply with their roles and responsibilities as part of the system of internal control.	FINANCIAL SERVICE	SCM Manager		0%		B	SCM			
35. Awards made to suppliers with non-compliant tax status (COMAF 8)	The municipality SCM unit did not implement the SCM checklists to confirm that all the applicable requirements including those for tax compliance were met prior to selecting a recommended supplier.	FINANCIAL SERVICE	SCM Manager		100%		B	SCM			
36. Quotation not awarded to highest scoring supplier: Phuthumane Trading (COMAF 8)	<ul style="list-style-type: none"> <li>□ Management did not ensure that SCM processes are fair, transparent, equitable and competitive and did not take the necessary measures to ensure that awards are not made to suppliers who have been discredited in any aspect of the procurement evaluation process.</li> <li>□ There is a lack of adequate and appropriate review to ensure that the proper SCM processes have been followed when awarding instances where an award is not made to a supplier scoring the highest points.</li> </ul>	FINANCIAL SERVICE	SCM Manager		0%		B	SCM			
37. Post-award requirement on local content not met (COMAF 9)	The finding is a repeating finding and as part of managements response in the prior year's to this finding, management had committed to requesting the office of Provincial Treasury to assist with the training of SCM staff on the proper interpretation of local content on municipal supply chain staff members. However, management has not implemented the action plan proposed to address the local content deficiency. The standard operating procedure does not include processes and procedures to be followed in terms of post reporting requirements.	FINANCIAL SERVICE	CHIEF Financial Officer		100%	The SCM unit will ensure that they are familiar with the requirements of National Treasury designated sector circulars and DTI's template for designated sector. Proper Training of SCM Personnel is essential in this regard to ensure there is a consistent understanding in respect of post award reporting requirements of local content. SCM will ensure that the standard operating procedure manual for SCM is updated to reflect the requirements for post award reporting and the application thereof as issued by National Treasury and DTI.	B	SCM			

38. Completeness of contract register and quotation registers (COMAF 13)	Financial and performance management - implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. There is a lack of proper review, oversight, and management of the contract and quotation registers by management to ensure the completeness and accuracy of information contained therein.	FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Manager Supply Chain will establish a supplier monitoring report and adequately monitor the contract management register on monthly basis and on quarterly basis to be reviewed by the Supply Chain Manager and Approved by the Chief Financial Officer.	B	SCM				
39. Competitive bidding and quotation process not followed (COMAF 13)	Financial and performance management - Review and monitor compliance with applicable laws and regulations.  Lack of oversight by management over all procurement to ensure that the proper SCM processes are followed in line with the requirements of applicable legislative prescripts.	FINANCIAL SERVICE	CHIEF Financial Officer		100%	SCM Unit will ensure that the contract and quotation registers are adequately updated and reviewed monthly to update procurement events in real-time either by means of formal written quotation and/or competitive bidding process or other method of procurement among all controversial tenders. Supply chain Manager and the Chief Financial OFFICER will also implement effective internal control measures to ensure that for all procurement, the threshold for the SCM Unit will ensure that the contract and quotation registers are adequately updated and reviewed monthly to update procurement events in real-time either by means of three formal written quotation and/or competitive bidding process or other method of procurement among all controversial tenders. Supply chain Manager and the Chief Financial OFFICER will also implement effective internal control measures to ensure that for all procurement, the threshold for the SCM Unit will ensure that the contract and quotation registers are adequately updated and reviewed monthly to update procurement events in real-time either by means of three formal written quotation and/or competitive bidding process or other method of procurement among all controversial tenders. Supply chain Manager and the Chief Financial OFFICER will also implement effective internal control measures to ensure that for all procurement, the threshold for the SCM Unit will ensure that the contract and quotation registers are adequately updated and reviewed monthly to update procurement events in real-time either by means of three formal written quotation and/or competitive bidding process or other method of procurement among all controversial tenders.	B	SCM				
40. Misstatement of deviation note (COMAF 13)	Financial and performance management - implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Lack of proper review, oversight, and management of the disclosure note(s) by management to ensure the completeness and accuracy of information contained therein.	FINANCIAL SERVICE	CHIEF Financial Officer	0%	0%	Supply Chain Manager and the Chief Financial OFFICER together with Performance Management Unit they deal with all deviation related procure to ensure that they comply with the requirement, or they meet the definition of deviation as per the policy of the council. All deviations will be forwarded to Internal audit, Risk Management and Audit committee to ensure that regular reporting and monitoring are done to both council and in the financial statements.  Intensify the vetting of companies from central supplier database prior to purchase order.	B	SCM				
40.1 Deviation not included on deviation note	FINANCIAL SERVICE	SCM Manager	B			SCM						
40.2 Deviation included at incorrect value	FINANCIAL SERVICE	SCM Manager	B			SCM						
41. Awarded contractor's not registered with CIDB (COMAF 14)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	The SCM Unit will adequately review and monitor the appointment of service providers as part of their verification checks for Grading Category as stipulated by the Construction Industry Development Programme Act. All appointment requires registration with the CIDB, this has been complied with.  The Risk Committee will perform adequate evaluation of service providers as part of their evaluation processes to ensure that based on the goods or services being procured, the service provider appointed for appointment is compliant with all Mandatory requirement from such as Construction Industry development Programme Act.	B	SCM				
42. Deviation reasons not justifiable (COMAF 25)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	Supply Chain Manager and the Chief Financial Officer together with Performance Management Unit they deal with all deviation related procure to ensure that they comply with the requirement, or they meet the definition of deviation as per the policy of the council. All deviations will be forwarded to Internal audit, Risk Management and Audit committee to ensure that regular reporting and monitoring are done to both council and in the financial statements.	B	SCM				
43. False declarations submitted (COMAF 17)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	Supply Chain Manager and the Chief Financial Officer together with Performance Management Unit they deal with all deviation related procure to ensure that they comply with the requirement, or they meet the definition of deviation as per the policy of the council. All deviations will be forwarded to Internal audit, Risk Management and Audit committee to ensure that regular reporting and monitoring are done to both council and in the financial statements.  Intensify the vetting of companies from central supplier database prior to purchase order. Consideration will be had contract with the supplier whose tax matters are not in order or supplier whose non-compliant with tax. Encourage contractors to include in their planning utilising SCM procurement Calendar as tool to avoid deviation from SCM Processes.	B	SCM				
44. No declaration of interests (MBD 1) submitted by suppliers (COMAF 17)		FINANCIAL SERVICE	CHIEF Financial Officer		100%		B	SCM				

45. CCG versus subcontracting to EAMS (COMAF 29)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager will ensure that proper measures are in place to ensure effective and efficient supplier performance monitoring over the contract management system to ensure that the Municipality avoid unapproved variation orders and unnecessary services. The Supply Chain official dealing with the contract management system will review all contracts and will evaluate all contracts currently in place to ensure that the service providers are performing in accordance with the contract service agreement and the general conditions of that contract	B	SCM		
46. Payments made to CCG above subcontracted value (COMAF 29)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager will ensure that proper measures are in place to ensure effective and efficient supplier performance monitoring over the contract management system to ensure that the Municipality avoid unapproved variation orders and unnecessary services. The Supply Chain official dealing with the contract management system will review all contracts and will evaluate all contracts currently in place to ensure that the service providers are performing in accordance with the contract service agreement and the general conditions of that contract	B	SCM		
47. SCM process for re-appointing contractor not followed (COMAF 31)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply chain Manager will develop, implement a Supply Chain checklist to review the requirement to be followed in the awarding of contracts and ensure that where there are funding stipulations, these are included in the checklist, and evidence to support receipt of the documents and payment of invoices will be maintained as audit evidence. The payment voucher with all documents as per the SCM policy will be reviewed and documented to support full compliance with the SCM policy in the audit purposes.	B	SCM		
48. Extension of contract for Maqopbeni access road (COMAF 31)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager will adequately monitor the contract management system to ensure that the Municipality management to enhance compliance with circular 62. The extension and/or variation orders will be made in accordance with the provision of Circular 62.	B	SCM		
49. Preferential procurement requirements (COMAF 35)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager and The Chief Supply Chain Manager and The Chief Financial Officer will ensure adequate implementation of preferential procurement per framework act 7. Bid evaluation and checks over the awards to ensure that the underlying score sheets of 80/20 or 90/10 as well as specific goals of reconstruction development programme goals are in line with the final scores on which the final awards are based.	B	SCM		
50. Contractors not evaluated as per tender invite (COMAF 35)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	Supply Chain Official sitting in the evaluation committee will ensure that all tenders are evaluated as per the requirement stipulated from the Bid Specification committee and that the recommended supplier is as of the highest quality and the lowest cost and most competitive. The Bid adjudication committee will improve oversight over the tender requirements and checks over the awards to ensure that the underlying score sheets are in line with the final scores on which the final awards are based.	B	SCM		
51. No contracts in place (COMAF 38)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager and officials in contract management will review all contracts in place to check that the Municipality has a binding contractual agreement against all suppliers paid.	B	SCM		
52. No SCM process followed for payment (COMAF 39)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain Manager and the Chief Financial Officer they will ensure that all payment is approved by the Supply Chain payment schedule to verify if all the payment required documents are attached before processing for any payment.	B	SCM		

53. Non-compliance with PPR (COMAF 40)		FINANCIAL SERVICE	CHIEF Financial Officer		0%	The Supply Chain will adequate all request or invitation to tender to the compliance with PPR. The Supply Chain will adequate all request or invitation to tender to the compliance with PPR. Upon the invitation and compilation of all bids, the Supply Chain will support and confirm compliance them with the PPR regulations in respect to the evaluation of bids.	B	SCM			
54. Awarded turnkey project consultant not registered with CIDB (COMAF 41)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	The Supply Chain Management Unit will adequately review and monitor the application of service providers per the procurement needs to ensure that where the procurement requires registration with the CIDB, the Grade and the category are per the invitation. The Supply Chain Management Unit will review service providers for CIDB as part of their evaluation processes to ensure that based on the goods or services being procured, the service provider recommended for appointment is compliant with all applicable legislative prescripts.	B	SCM			
55. No rotation measures in place (COMAF 42)		FINANCIAL SERVICE	SCM Manager		100%	The Supply Chain Management will re-invite quote from the panel as criteria to select from the panel and if that is not available then criteria will be used to nominate the rotation of providers from the panel to ensure that providers are provided with a fair chance to be allocated to a project	B	SCM			
56. Gap analysis non-compliance (COMAF 30).		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the Municipality. Establish a performance and contract management function within the SCM Unit Management should ensure compliance with applicable regulations and guides before appointing consultants and ensure that the pre-qualification is performed for all consultants prior to their appointment.</p> <p>The municipality will assess the current staff complement and organogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before</p>	B	SCM			

57. The consultant was appointed to address needs / requirements that are permanent / continuous in nature for which a position exists in the establishment (COMAF 30)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the Municipality. Within a performance and contract management division within the SCM Unit Management should ensure compliance with the applicable regulations and guides before appointing consultants and ensure that the gap analysis is performed for all consultants prior to their appointment.</p> <p>The municipality will assess the current staff complement and orgaogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before</p>	B	SCM	
58. Consultancy reduction plan on consultants has not been developed and implemented (COMAF 30)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the Municipality. Within a performance and contract management division within the SCM Unit Management should ensure compliance with the applicable regulations and guides before appointing consultants, and ensure that the gap analysis is performed for all consultants prior to their appointment.</p> <p>The municipality will assess the current staff complement and orgaogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before appointing consultants and ensure that consultants are not appointed by the municipality unless which is a consultant of nature or where there is an expectation that the needs should ordinarily be performed by suitably qualified persons within the municipality.</p> <p>The municipality will also assess the current staff complement and orgaogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased, especially for critical positions.</p> <p>Management of the Municipality will devise a consultancy reduction plan which should identify all sections of the municipality where</p>	B	SCM	

59. Use of consultants : Terms of reference and contracts internal control deficiencies (COMAF 30)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the municipality. Establish a performance and contract management division within the SCM. Unit Management should ensure compliance with the applicable regulations and guides before appointing consultants and ensure that the gap analysis is performed for all consultants prior to their appointment. The municipality will assess the current staff complement and organogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before appointing consultants and ensure that consultants are not appointed for municipality needs which are continuous in nature or where there is an expectation that the needs should ordinarily be performed by suitably qualified personnel within the municipality. The municipality will also assess the current staff complement and organogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p>	B	SCM		
60. Use of consultants - Training and transfer of skills from consultants to employees (COMAF 30)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the municipality. Establish a performance and contract management division within the SCM. Unit Management should ensure compliance with the applicable regulations and guides before appointing consultants and ensure that the gap analysis is performed for all consultants prior to their appointment. The municipality will assess the current staff complement and organogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before appointing consultants and ensure that consultants are not appointed for municipality needs which are continuous in nature or where there is an expectation that the needs should ordinarily be performed by suitably qualified personnel within the municipality. The municipality will also assess the current staff complement and organogram and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p>	B	SCM		

61. Performance and monitoring of consultants (COMAF 30)		FINANCIAL SERVICE	CHIEF Financial Officer		100%	<p>A policy will be developed that will be dealing with the use of external consultants by the Municipality.</p> <p>Establish a performance and contract management division within the SCM. Unit Management should ensure compliance with the applicable regulations and guides before the appointment of consultants. Ensure that the gap analysis is performed for all consultants prior to their appointment. The municipality will assess the current staff competency and resource requirements and implement an action plan to resource various units to ensure that the over-reliance on consultants is decreased.</p> <p>Supply Chain Management will ensure compliance with the applicable regulations and guides before the appointment of consultants to ensure that consultants are not appointed for municipality needs which are continuous in nature or where there is an emergency. This function should ordinarily be performed by suitably qualified personnel within the municipality. The municipality will also assess the current staff competency and organogram and implement an</p>	B	SCM				
62. Non-compliance in the Municipal Public Accounts Committee (MPAC)		OFFICE OF THE MUNICIPAL MANAGER	MM		1		B					
63. Misstatements on the technical indicator description (COMAF 6)	Management did not ensure that the technical indicator descriptions that have been developed meet all the requirements to allow for the conclusion that the indicator is "well-defined".	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2024/03/31	50%	Management will ensure that all indicators are supported by Technical Indicator Descriptions and Standard operating procedures for implementation thereof which are well defined, which will allow for the municipality to manage the performance information more efficiently and consistently.	B	N/A	Review TDs to incorporate accurate and relevant, fully informed, correct formulas or cross reference to % complete for activities or projects		2024/03/31	
64. MFMA requirements omitted in the adopted SDBIP (COMAF 6)	The PMS manager and CEO did not adequately review the planning and reporting of the SDBIP to ensure that the minimum criteria have been met and the SDBIP has been determined in line with all requirements per the definition	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2024/03/31	50%	Management will strengthen the review of the SDBIP to ensure that the minimum criteria for the MFMA is not omitted from the documents. PMS Manager will amend the SDBIP submitted for audit to ensure that the reported information is accurate and complete based on all requirements of the MFMA.	B	N/A	Review SDBIP for consistency between indicators and planned and reported achievements during mid-year and make necessary adjustments.		2024/03/31	
65. Incorrect performance achievement reported: Number of kilometres of access road maintained (COMAF 5)	The PMS Manager did not adequately review the achievement reported for audit purposes to ensure that the achievements reported in the APR are supported by accurate and complete information. Planning and reporting responsibilities, review and oversight did not ensure that the supporting evidence agreed to the reported information	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2023/12/31	50%	Management will strengthen their oversight on the implementation of the presentation of reliable and appropriately supported performance reports. PMS Manager will amend the APR to ensure that the information is accurate and complete and consideration will be made as to the correction of the APR to reflect the correct achievement.	B	N/A	Finding resolved, no further action needed.		2023/12/31	
66. Reported indicators on the APR not consistent with planned indicators (COMAF 7)	Reviews over reported performance information and the monitoring thereof are deficient in that they did not identify instances where the reported information in the APR is not consistent with the applicable planning documents.	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2023/12/31	50%	Management will ensure that adequate review of the consistency of planned targets and reported targets are consistent taking into account comparison of reported information to the planning documents.	B	N/A	Finding resolved, no further action needed.		2023/12/31	
67. Reported indicators on the APR not adequately measurable (COMAF 7)	Reviews over reported performance information and the monitoring thereof are deficient in that they did not identify instances where the indicators have not been measured in a manner that is directly to be noted in terms of the interpretation of the exact meaning of the indicators presented in the annual planning documents as well as the APR.	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2023/12/31	50%	Management will amend the indicators to ensure that they all meet the characteristics of being well defined and verifiable, targets being specific, measurable and time bound. The indicators will be worded in such a way that they are not subjected to misinterpretation based on who is reading the indicator.	B	N/A	Finding resolved, no further action needed.		2023/12/31	
68. Indicators not properly presented and disclosed on the APR (COMAF 7)	Reviews over reported performance information and the monitoring thereof are deficient in that they did not identify instances where the indicators have been presented and thus ensure adequate and appropriate disclosure of all indicators.	OFFICE OF THE MUNICIPAL MANAGER	PMS:MANAGER	2023/12/31	50%	The comparison of the performances with targets set for and performances in the previous year is a requirement by the MSA and therefore the municipality will ensure adequate and appropriate disclosure of the information. Management will ensure that the presentation of the information disclosed on the Annual Performance Report is appropriate, adequate and not misleading to the public.	B	N/A	Finding resolved, no further action needed.		2023/12/31	

69. The IT department prior year findings were not part of the management action plan (COMAF 36)	There is a lack of monitoring of implementation of action plans pertaining to the IT environment resulting in the non-inclusion of IT related matters in the management action plan.	CORPORATE SERVICE	SENIOR MANAGER CORPORATE	2023/12/31	50%	Management will ensure that all findings and deficiencies reported on the Management Report are included in the action plan for the effective monitoring of the action plan progress of prior year issues. This will assist in the reduction of repeat findings.	B			
70. Vacancy – IT municipality staff (repeat finding) (COMAF 36)	Slow response in implementation of action plans pertaining to the IT environment including the plans to fully capacitate the IT unit.	CORPORATE SERVICE	SENIOR MANAGER CORPORATE	2023/12/31	50%	The Position of the ICT Manager has been approved on the revised 2023/2024 organogram. (Please see attached resolution) The ICT Manager will oversee ICT Governance	B			
71. No independent review of the activities of the individual who grants user access to systems (repeat finding) (COMAF 36)	Lack of oversight over compliance with the Reviewing User Access Requests and User Account Activation Activity Monitoring requirements stipulated in the KCDM User Account Management Policy & Procedure	CORPORATE SERVICE	SENIOR MANAGER CORPORATE	2023/12/31	50%	The Position of the ICT Manager has been approved and will be advertised in November 2023, kindly see the revised 2023/2024 organogram.	B			

## 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	EXCO, Financial Services and Technical Services	Ward 12- IFP	100	0
Cllr N.N. Gumede	Full-time	EXCO, Community Services and Corporate Services	PR – IFP (terminated on the 07/11/22)	100	0
Cllr T.M. Biyela	Part-time	EXCO, Corporate Services and Financial Services	Ward 08 - IFP	100	0
Cllr M.M. Mthiyane	Full-time	Speaker of Council	PR - IFP	100	0
Cllr G.M. Khumalo	Part-time	Community Services	Ward 01 - IFP	100	0
Cllr A.M. Mtshali	Part-time	Corporate Services	Ward 02 - IFP	100	0
Cllr E.S. Mthethwa	Part-time	None	Ward 03 - IFP	100	0
Cllr T.Z. Mdhletshe	Part-time	MPAC	Ward 04 - IFP	100	0
Cllr M.N. Nxumalo	Part-time	None	Ward 05 - ANC	100	0
Cllr C. Makhunga	Part-time	Corporate Services	Ward 06 - IFP	100	0
Cllr B. Ntombela	Part-time	Financial Services	Ward 07 - ANC	100	0
Cllr S.G. Mthethwa	Part-time	MPAC	Ward 09 - IFP	100	0
Cllr S.Z. Mtetwa	Full-time	MPAC Chairperson	Ward 10 - IFP	100	0
Cllr P.M. Gumbi	Part-time	Financial Services	Ward 11 - ANC	100	0
Cllr T. Ndimande	Part-time	Technical Services	Ward 13 – IFP	100	0
Cllr N. S. Ngubane	Part-time	EXCO and Community Services	Ward 14 - IFP	100	0
Cllr N. Conco	Part-time	Technical Services	Ward 15 - IFP	100	0
Cllr P.B. Sithole	Part-time	MPAC	Ward 16 - ANC	100	0
Cllr S.E. Sibya	Part-time	MPAC	Ward 17 - ANC	100	0
Cllr M.E Shobede	Part-time	Financial Services	Ward 18 - IFP	100	0
Cllr S.M. Shabangu	Part-time	Community Services	PR - IFP	100	0
Cllr M.B. Makhaza	Part-time	MPAC	PR - IFP	100	0
Cllr R.L.R Keyser	Part-time	Financial Services	PR - ANC	100	0
Cllr T.D. Ngwenya	Part-time	Corporate Services	PR - ANC	100	0
Cllr S.P. Mpanza	Part-time	EXCO and Community Services	PR - ANC	100	0
Cllr S.S. Gazu	Part-time	Community Services	PR - ANC	100	0
Cllr S.R. Thabetha	Part-time	Technical Services	PR - ANC	100	0
Cllr B.S. Bhengu	Part-time	Corporate Services	PR - ANC	100	0
Cllr H.B. Hadebe	Part-time	MPAC	PR - ANC	100	0
Cllr K.S.C. Msweli	Part-time	MPAC	PR - ANC	100	0
Cllr S.A. Ngema	Part-time	MPAC	PR - ANC	100	0
Cllr T.N. Msweli	Part-time	MPAC	PR - EFF	100	0
Cllr N.B. Mkhwanazi	Part-time	None	PR - EFF	100	0
Cllr M. Shabalala	Part-time	None	PR - EFF	100	0
Cllr B.V. Mhlongo	Part-time	MPAC	PR - NFP	100	0
Cllr K. Mlambo	Part-time	MPAC	PR - IFP		

Note: \*Councillors appointed on a proportional basis do not have wards allocated to them.

TA

## Appendix B: Committees and Committee Purposes

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committees
<b>COUNCIL</b>	<ul style="list-style-type: none"> <li>■ Approves by-laws;</li> <li>■ Assigns the administration of by-laws to the Municipal Manager and the respective Heads of Department;</li> <li>■ Determines overall strategic policy applicable to the municipality as a whole which gives macro direction to its executive and which guides the formulation of all other policies;</li> <li>■ Approves the Integrated Development Plan;</li> <li>■ Elects members of the Executive Committee, the Mayor, Deputy Mayor and Speaker;</li> <li>■ Delegates appropriate decision-making powers in terms of section 59(1) (a) of the Systems Act;</li> <li>■ May remove the Speaker, Mayor and/or Deputy Mayor and one or more of the members of the Executive Committee from office in terms of applicable legislative prescripts;</li> <li>■ Establishes committees in terms of section 79 and section 80 of the Structures Act;</li> <li>■ Grants leave to Councillors from meetings of the council; ■ Approves Rules of Order of Council;</li> <li>■ Determines political structures of council;</li> <li>■ Bestows civic honours, and the naming of public places and municipal buildings after persons;</li> <li>■ Establishes a performance management system and annually appoints a Performance Management Audit Committee;</li> <li>■ Establishes a multi-jurisdictional municipal service district;</li> <li>■ Approves the movement of funds between main segments into which the budget of the municipality is divided for the different departments, by means of the adjustments budget, in terms of the requirements of the MFMA;</li> <li>■ Receives, deliberates and decides on audit reports; ■ Appoints a municipal manager; <ul style="list-style-type: none"> <li>■ Appoints an acting municipal manager or acting Head of Department; ■ Appoints, after consultation with the municipal manager, managers or acting managers directly accountable to the municipal manager and determines their conditions of service;</li> <li>■ Determines a policy framework for the staff establishment;</li> <li>■ Disposes of immovable property in terms of section 14 and 111 of the MFMA;</li> <li>■ Determines councillor remuneration within the applicable legislative framework;</li> <li>■ Designates full-time councillor positions and authorises applications to the MEC for Local Government for determination of full-time positions;</li> <li>■ Appoints or nominates councillors and/or officials to attend international meetings/ conferences/ seminars, etc;</li> <li>■ Appoints councillors to portfolio committees;</li> </ul> </li> </ul>
<b>Executive Committee</b>	<ul style="list-style-type: none"> <li>■ The Executive Committee reports to, and is accountable to Council –</li> <li>■ Reviews the performance of the municipality in order to improve: ■ the economy, efficiency and effectiveness of the municipality;</li> <li>■ the efficiency of credit control and revenue and debt collection services; and</li> </ul>

- 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:-
- the adoption of the estimates of revenue and expenditure, as well as capital budgets and the imposition of rates and other taxes, levies and duties;
- the passing of by-laws; and ■ the raising of loans.
- approval or amendment of the IDP
- appointment and conditions of service of Municipal Manager and heads of departments
- Deals with any other matters referred to it by the council and submits a recommendation thereon for consideration by the council;
- Attends to and deals with all matters delegated to it by council in terms of the Municipal Systems Act;
- Recommends appointment of chairperson/s from the members of the Executive Committee, for any committee established by council in terms of section 80 of the Structures Act to assist the Executive Committee;
- Delegates any powers and duties of the Executive Committee to any Section 80 committee;
- Varies or revokes any decisions taken by a section 80 committee, subject to vested rights;
- Develops strategies, programmes and services to address priority needs of the municipality through the IDP and estimates of revenue and expenditure, taking into account any applicable national and provincial plans and submits a report to, and recommendations thereon, to the council;
- Subject to applicable legislation, recommends or determines the best methods, including partnerships and other approaches to deliver services, programmes and projects to the maximum benefit of the community;
- Identifies and develops criteria in terms of which progress in the implementation of services, programmes and objectives to address the priority needs of the municipality can be evaluated, which includes key performance indicators which are specific to the municipality and common to local government in general;
- Manages the development of the performance management system, assigns responsibilities in this regard to the municipal manager and submits the proposed performance management system to council for consideration;
- Monitors progress against the said key performance indicators;
- Receives and considers reports from committees in accordance with the directives as stipulated by the Executive Committee;

	<ul style="list-style-type: none"> <li>■ Elects a chairperson to preside at meetings if both the mayor and deputy mayor are absent from a meeting in the event of there being a quorum present at such a meeting, if the Mayor failed to designate a member of ExCo in writing to act as Mayor;</li> <li>■ Considers appeals from a person whose rights are affected by a decision of the municipal manager in terms of delegated powers, provided that the decision reached by this committee may not retract any rights that may have accrued as a result of the original decision.</li> <li>■ Reports, in writing, to the municipal council on all decisions taken by ExCo at the next ordinary council meeting;</li> <li>■ Recommends to council after consultation with the relevant Portfolio Committee, policies where council had reserved the power to make policies itself;</li> <li>■ Recommends after consultation with the relevant Sect 79 Committee, rules of order of council meetings and approves rules of order for meetings of itself and any other committee;</li> <li>■ Makes recommendations to council on proposed political structures of council;</li> <li>■ Makes recommendations to council in respect of council's legislative powers;</li> <li>■ Determines strategic approaches, guidelines and growth parameters for the draft budget including tariff structures;</li> </ul>
<b>Corporate Services Portfolio Committee</b>	<ul style="list-style-type: none"> <li>■ The functional areas in which the Corporate Services Portfolio Committee operates are:-</li> <li>■ Municipal Administration ■ Secretariat</li> <li>■ Legal Services</li> <li>■ Council Support</li> <li>■ Policies and Procedures</li> <li>■ Facilities Management (Municipal Building)</li> <li>■ Skills Development and Training (both internally and externally) ■ Human Resources Management</li> <li>■ Performance Management (staff below Section 56) ■ Information Services and Archives</li> <li>■ Information Communication Technology (ICT) ■ Recruitment and Staff Appointment</li> <li>■ Staff Benefits and Conditions of Service ■ Upliftment Programmes</li> <li>■ Safety and Security ■ Labour Relations</li> <li>■ Occupational Health and Safety Employee</li> <li>■ Wellness</li> <li>■ Auxiliary Services</li> </ul>
<b>Technical Services Portfolio Committee</b>	<p>The functional areas in which the Technical Services Portfolio Committee operates are:</p> <ul style="list-style-type: none"> <li>■ Water</li> <li>■ Electricity ■ Sanitations</li> <li>■ Solid waste sites</li> <li>■ Regional Municipal airports ■ Public works</li> <li>■ Business planning ■ Project Management</li> <li>■ Contract Management</li> <li>■ Local Economic Development</li> </ul>

	<ul style="list-style-type: none"> <li>■ Tourism Development ■</li> <li>Agriculture and Craft ■</li> <li>Municipal Roads</li> <li>■ Town Development ■</li> <li>Municipal By-laws</li> <li>■ Coordination of Housing Development</li> </ul>
Financial Services Portfolio Committee	<p>The functional areas of in which the Finance Portfolio Committee will operate are:</p> <ul style="list-style-type: none"> <li>■ Budget preparation and implementation. ■</li> <li>Revenue and expenditure management.</li> <li>■ Mid-year budget and performance assessment. ■</li> <li>Revenue generation.</li> <li>■ Debt collection, credit control and loans.</li> <li>■ Supply chain management / procurement. ■</li> <li>Capital expenditure control.</li> <li>■ Investments.</li> <li>■ Asset and liability Management.</li> <li>■ Internal audit and audit Committee. ■</li> <li>Financial reporting and Auditing.</li> <li>■ Contracts Management</li> <li>■ Compliance with Municipal Finance Management Act</li> </ul>
Community Services Portfolio Committee	<p>The functional areas in which the Community Services Portfolio Committee will operate are:</p> <ul style="list-style-type: none"> <li>■ Environmental Health ■</li> <li>Disaster management</li> <li>■ Emergency Services and Fire Fighting ■</li> <li>Protection Services</li> <li>■ Traffic and Law Enforcement ■</li> <li>Public Transport</li> <li>■ Pounds</li> <li>■ Parks and Recreation ■</li> <li>Nature Conservation ■</li> <li>Sports and Recreation ■</li> <li>Public Works</li> <li>■ Public Amenities ■</li> <li>Refuse Removal ■</li> <li>Street Trading</li> <li>■ Noise Pollution</li> <li>■ Licensing and control of undertakings to sell liquor to the public ■</li> <li>Facilities for the accommodation, care and burial of animals</li> <li>■ Fresh produce markets</li> <li>■ Noise Pollution</li> <li>■ Solid Waste Management</li> </ul>
Municipal Public Accounts Committee (MPAC)	<p><b>The primary functions of the Municipal Public Accounts Committee are as follows:</b></p> <ul style="list-style-type: none"> <li>■ 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;</li> <li>■ In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made</li> </ul>

	<p>on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports;</p> <ul style="list-style-type: none"> <li>■ 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;</li> <li>■ To promote good governance, transparency and accountability in the use of municipal resources;</li> <li>■ 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</li> <li>■ To perform any other functions assigned to it through a resolution of council within its area of responsibility.</li> </ul>
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## Appendix C: Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/ Manager (state title and name)
<b>Executive Department</b>	Municipal Manager Mr KE Gamede (01 July 2022 to 31 October 2022) Municipal Manager Mr LS Jili (01 November 2022 to 30 June 2023)
<b>Financial Services Department</b>	Chief Financial Officer Mr ZJ Ndlovu (1 July 2022 – 30 June 2023)
<b>Corporate Services Department</b>	Senior Manager: Corporate Services Miss AS Shandu (1 July 2022 – 30 June 2023)
<b>Community Services Department</b>	Senior Manager: Community Services Mr SS Maphanga (01 July 2022 to 30 June 2023)
<b>Technical Services Department</b>	Senior Manager: Technical Services Mr SG Hlathswayo (1 July 2022 – 30 June 2023)

## Appendix D: Functions of Municipality

Municipal Functions	Function Applicable to Municipality (Local/ District) *
MUNICIPAL FUNCTIONS	

<b>Constitution Scheduled 4, Part B functions:</b>			
<b>Air pollution</b>	District Municipality/ Local Municipality		
<b>Building regulations</b>	Local Municipality		
<b>Child care facilities</b>	Local Municipality		
<b>Electricity and gas reticulation</b>	Local Municipality		
<b>Firefighting services</b>	District Municipality	Municipality/	Local
<b>Local tourism</b>	District Municipality	Municipality/	Local
<b>Municipal planning</b>	District Municipality	Municipality/	Local
<b>Municipal health services</b>	District Municipality		
<b>Municipal public transport</b>	Local Municipality		
<b>Storm water management systems in the built-up areas</b>	Local Municipality		
<b>Trading regulations</b>	Local Municipality		
<b>Water and sanitation services limited to portable water supply system and domestic waste-water and sewage disposal systems</b>	District Municipality		
<b>Beaches and amusement facilities</b>	Local Municipality		
<b>Billboards and the display of advertisements in public places</b>	Local Municipality		
<b>Cemeteries, funeral parlours and crematoria</b>	Local Municipality		
<b>Cleansing</b>	Local Municipality		
<b>Control of public nuisances</b>	Local Municipality		
<b>Control of undertakings that sell liquor to the public.</b>	Local Municipality		
<b>Facilities for the accommodation, care and burial of animals.</b>	Local Municipality		
<b>Fencing and fences</b>	Local Municipality		
<b>Licencing of dogs</b>	Local Municipality		
<b>Licencing and control of undertakings that sell food to the public.</b>	N/A		
<b>Local amenities</b>	Local Municipality		
<b>Local sport facilities</b>	Local Municipality		
<b>Markets</b>	Local Municipality		
<b>Municipal abattoirs</b>	District Municipality		
<b>Municipal parks and recreation</b>	Local Municipality		
<b>Municipal roads</b>	Local Municipality		
<b>Noise pollution</b>	Local Municipality		
<b>Pounds</b>	Local Municipality		
<b>Public places</b>	Local Municipality		
<b>Refuse removal, refuse dumps and solid waste disposal.</b>	District Municipality/ Local Municipality		
<b>Street trading</b>	Local Municipality		
<b>Street lighting</b>	Local Municipality		
<b>Traffic and parking</b>	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	<b>Council Member:</b> Cllr GM Khumalo  <b>Ward Committees:</b> MkhwanaZi Zinhle S; Zungu Themba; Zwane Bright; Khumbulani Mavundla; Bonisiwe Mfekayi; Senzo Myeni; Ntombenile P Mthiyane; Nomkhosi Mthiyane; Thuleleni Tembe James; Dube Gugu Cynthia	Yes	6	6	3
2	<b>Council Member</b> Cllr AM Mtshali  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	<b>Council Member:</b> Cllr ES Mthethwa  Mbuyazi Bongani; Gumede Ace Dladla Patience;Dlamini Sicelo Mhlungu Bongiwe; Mbuyazi Celimpilo Mthiyane Sicelo; Vacant; Mhlongo Joel; ZamaZamokuhle	Yes	6	6	3
4	<b>Council Member:</b> Cllr TM Mdhlestehe  Sigwaza Zibuyisile; Mtshali Sibongile Mthembu Nkosinathi; Hlekwayo Gugu;MoletsaneTsepoo Hlongwane Xolani B; Zikhali Khuphukile Hadebe Nkosinathi;MkhwanaZi Mzwakhile; Ncube Sabelo	Yes	6	6	3
5	<b>Council Member</b> Cllr Nxumalo  Zikhali Nkosikhona; Khumalo Thembelihle Mthethwa Jakokwakhe;Zulu Scelo; Buthelezi Senzo;Mngadi Fikile; Shelemba Bonginkosi;Biyela Cashile Mthiyane Siyabonga; Mbuyazi Abton Maluza	Yes	6	6	3
6	<b>Council Member:</b> 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	<b>Council Member</b> Cllr AB Ntombela  Sithole Sthembela; Mdletshe Zandile;Ndlela Ntuthuko Dlamini Nzuzo; Mdletshe Mfanafuthi; Mwandla Jabulani Miya Nokwazi; Mndaba Sicelo;Mdletshe Mapendane; SinqilaMbuyiseni	Yes	6	6	3
8	<b>Council Member</b> Cllr TM Biyela (Hon. Deputy Mayor)  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	<b>Council Member</b> Cllr Mthethwa  Ndlovu Zodumo; Mdletshe Sinenhlahla Sikhakhan eLungisani ;Mdletshe Azine B Nene Phumlanli; MthethwaKhayelihle Mtshali David; Nsimbi Muziwoxolo Mkhize Sizwe ;Mthethwa M	Yes	6	6	3
10	<b>Council Member:</b> Cllr SZ Mthethwa  Mthethwa Hlobile; Ngubane Bongumusa Zuma Vukani; Mbambo Bongiwe; Nene Thobile Witness Mpanza Thuthukani; Gumedé Sibonokuhle Shabalala; Sinenhahlha Khanyile Alsaphina; Mthethwa AN	Yes	6	6	3
11	<b>Council Member</b> Cllr Gumbi  Mpanza Sandile; Mthethwa Mpilenhle;Sithole Zanele Mbokazi Sabelo;Sithole Siphamandla; Sibya Mboniseni Mgenge Lindani; Manqele Khayo Ndabandaba Philani	Yes	6	6	3
12	<b>Council Member</b> 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	<b>Council Member</b> 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	<b>Council Member</b> Cllr NS Ngubane  Mkhwanazi Joice; Mbuyazi Bheki; Shezi Zodwa Ngema Thandeka ; Ngema Khaya; Buthelezi Tholinhlanhla; Sithole Thabiso; Dladla Mandla; Cele Dumisani Ngema Mcosheni	Yes	6	6	3
15	<b>Council Member</b> Cllr Conco  Vilakazi Xolani; Msimango Ntonto; Mtshali Sphezihle Mkhwanazi Sinothi; Nkosi Lucas; Mnqayi Musawenkosi Zwane Mothule; Ngobese Sibongiseni Ngubane Alfred; Ntshangase Prosper	Yes	6	6	3
16	<b>Council Member</b> Cllr Sithole  Mhlanga Sibusiso; Ncamphalala Thando; Msweli Nomusa Xulu Nokuthula; Gumedé Petros; Cele Sabelo Ntuli Nonhlanhla; Mbuyazi Happiness; Mbuyazi Mvikeli Mbuyazi Bonginkosi	Yes	6	6	3
17	<b>Council Member</b> Cllr Sibya  Buthelezi Sipho Mvelase Nonhlanhla; Shezi Nonhlanhla; Sibis iSifiso Mkhwanazi Hlakaniphile; Magubane Lindiwe; Mnguni Nonjabulo Mdlolo Celiwe; Mngwengwe Mzokhonha NgemaSibongile T.	Yes	6	6	3
18	<b>Council Member</b> 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

### Capital Projects: Seven Largest in 2022/2023

Ward No.	Project Name and detail	Start Date	End Date	R'000
				Total Value
09	Dondotha Sporting Complex	15/11/2019	30/06/2023	2M
12	Fuyeni Creche	02/08/2022	05/05/2023	3.5M
03	Ndlabeyilandula Access Road	23/05/2022	18/10/2023	4.8M
10	Zilahle phase 2 Access Road	05/05/2022	07/07/2022	4.1M
17	Bhiliya Causeway	23/05/2022	10/05/23	4.7M
07	Phobobo Access Road	22/07/2022	15/12/2022	3.2M
18	KwaMdladla Access Road	03/05/2022	09/09/2022	3.6M

TF.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	14 818	25 584	25 197		355
Households without minimum service delivery	7 846	0	387		Nil
Total households*	22 664	25 584	25 584		Nil
Houses completed in year	Nil	Nil	527	Nil	355
Shortfall in Housing units	None	None	300		

\*including informal settlements

TF.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/23
17	Bhiliya Causeway	Completed
09	Dondotha Sporting Complex	Completed
12	Fuyeni Creche	Completed
03	Ndlabeyilandula Access Road	Completed

TF.3

KZN281 Mfolozi - Supporting Table SA36 Detailed capital budget

R thousand														2022/23 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 2020/21	Current Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
Parent municipality:																	
<i>List all capital projects grouped by Function</i>																	
Roads Transport																	
	Bumbaneni Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 07 & 08	28° 35' 21" S	32° 01' 02" E			4 093	—	—	
	Ndlabeyiland ula Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 03	28° 38' 13.85" S	32° 11' 08" E			5 860	—	—	
	KwaMdladla Access Roads		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 18	28° 33' 57" S	32° 02' 34" E			4 692	—	—	
	KwaNdlovu wezinya wo Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 16	28° 43' 07.13" S	32° 09' 07.36" E			2 897	—	—	
	Maqabaqabeni Access Road		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Roads Infrastructure	Roads	Ward 11	28° 27' 56.50" S	32° 09' 27.90" E			4 088	—	—	

	<b>Phobobo Access Road</b>		New	Responsive, accountable, effective and efficient local government	Governance	<b>Provision of basic services</b>	Roads Infrastructure	Roads	<b>Ward 07</b>	28° 36' 50" S	31° 59' 25" E				4 711	–	–
	<b>Zilahle phase 2 Access Road</b>		New	Responsive, accountable, effective and efficient local government	Governance	<b>Provision of basic services</b>	Roads Infrastructure	Roads	<b>Ward 10</b>	28° 30' 27" S	32° 00' 10" E				4 199	–	–
<b>Sport and Recereation</b>	<b>Sbululwane Sportfield</b>		New	Responsive, accountable, effective	Governance	<b>Provision of basic services</b>	Sport and Recreation Facilities	Outdoor Facilities	<b>Ward</b>						–	–	–

				<i>and efficient local government</i>													
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	—	—	
	Fuyeni Creche		New	Responsive, accountable, effective and efficient local government	Governance	Provision of basic services	Community Facilities	Early Child Development Facility	Ward 12	28° 27' 03.36" S	31° 50' 22.40" E			3 114	—	—	
	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' 48.76" 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:																	
<i>List all capital projects grouped by Entity</i>																	
Entity A																	
Water project A																	

<b>Must reconcile with Budgeted Capital Expenditure</b>															
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)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>

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	R6 301 526	<i>Compiling the Service Delivery Budget and Implementation Plan</i> <i>Compiling Monthly and Quarterly Reports</i> <i>Compiling the Performance Agreements and Performance Plans</i>	<i>Compiled the Service Delivery Budget and Implementation Plan</i> <i>Monthly and Quarterly Reports</i> <i>Compiled the Performance Agreements and Performance Plans</i>	<i>Compiling the Service Delivery Budget and Implementation Plan</i> <i>Compiling Monthly and Quarterly Reports</i> <i>Compiling the Performance Agreements and Performance Plans</i>	<i>Compiled the Service Delivery Budget and Implementation Plan</i> <i>Compiled Monthly and Quarterly Reports</i> <i>Compiled the Performance Agreements and Performance Plans</i>	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 Drawing up of Financial Statements and FAR for 2021/2022	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR	Implementation of MSCOA. Accounting System Drawing up of Financial Statements and FAR for 2022/2023	G		
Mills Fitchet Natal PTY LTD	07 October 2016	Preparation of General Valuation Roll	R1 244 857.20	Preparation of General Valuation Roll	In progress	Maintenance of the valuation roll	Maintenance of the valuation roll	G		
North coast office equipment cc	01 July 21	Provision of (10) multi- function network photocopiers machines	R1 449 091.40	Provision of (10) multi- function network photocopiers machines	Lease	Provision of (10) multi- function network photocopiers machines	Lease	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	Contract ended on January 2023	G		
Thuthuka ni 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	Contract Ended in June 2022	N/A	G		
Mntambo financial Consultants cc	30-Jul-2022	Provision of internal audit services	R581. Per hour	N/A	N/A	Table 4 Reports to the Audit Committee Reports	Tabled 4 Reports to the Audit Committee Reports	G		
BPG Mass Appraisal	01 July 2022	Valuation roll implementation	R948 738.05	N/A	N/A	Valuation roll implementation	Valuation roll implementation	G		
Umnotho business consulting	20 June 2019	Internal Audit	R556.00 per hour	Internal Audit	Internal Audit	Contract Ended in June 2022	N/A	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		

<i>Kunene Risk Resolutions</i>	01 July 2022	<i>Provision of Short-Term Risk Solutions</i>	R838 578.29	<i>Provision of Short-Term Risk Solutions</i>	G						
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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
Thuthukani Gardening	19 Dec 2020	Provision of dislodging of septic tank services	252 000	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		
Anezi connect pty ltd	01 February 2021	Provision of ict and advisory support services	R12 182 323.00	Provision of ict and advisory support services	Ongoing	Provision of ict and advisory support services	ongoing	G		
Upsurge construction and projects pty ltd	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
PK Financial consultants professional accounts (SA)	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
Mntambo financial consulting cc	26 April 2021	Conduct vat recovery and tax services		N/A	N/A	N/A	N/A	N/A		
Maximum profit recovery pty ltd	26 April 2021	Conduct vat recovery and tax services	12.5% of the returns submitted	N/A	N/A	Conduct vat recovery and tax services	Conduct vat recovery and tax services	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.	Simpulwazi 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		
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		

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
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		
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		
Unakane Business Enterprise	01-Feb-2022	To provide Cleaning, Hygiene Services Cleaning Equipment and materials	R6 711 321.31	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		
Siyajabula 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 2022/2023 Financial year. Produced five (05) incidents Reports Attended twelve (12). Safety and Security Committee meetings on Security Monthly Operations	G		

## Appendix H: Revenue Collection Performance by Vote

KZN281 Mfolozi - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																	
Description	Ref	Budget Year 2022/23													Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>Revenue by Vote</b>																	
<b>Vote 1 - Executive &amp; Council</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Vote 2 - Finance &amp; Administration</b>		15 142	15 142	15 142	15 142	15 142	15 142	181 698	192 104	191 640							
<b>Vote 3 - Finance &amp; Administration</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Vote 4 - Planning &amp; Development</b>		115	115	115	115	115	115	115	115	115	115	115	115	1 376	1 475	1 533	
<b>Vote 5 - Public Safety</b>		11	11	11	11	11	11	11	11	11	11	11	11	130	135	141	
<b>Vote 6 - Sports &amp; Recreation</b>		–	–	–	–	–	–	–	–	–	–	–	–	450	–	–	
<b>Vote 7 - Road Transport</b>		2 179	179 2	2 179	179 2	2 179	2 179	26 150	28 016	29 131							
<b>Vote 8 - Waste Management</b>		190	190	190	190	190	190	190	190	190	190	190	190	2 280	2 767	3 813	
<b>Vote 9 - Community &amp; Social Services</b>		253	253	253	253	253	253	253	253	253	253	253	253	3 037	3 187	3 187	
<b>Vote 10 - Community &amp; Social Services</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Vote 11 - Community &amp; Social Services</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>Vote 12 - Energy Sources</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	

<b>Vote 13 - Environmental Protection</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Vote 14 - [NAME OF VOTE 14]</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Vote 15 - [NAME OF VOTE 15]</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>		17 889	17 889	17 889	17 889	17 889	17 889	214 672	226 134	226 445							
<b>Expenditure by Vote to be appropriated</b>	–																
<b>Vote 1 - Executive &amp; Council</b>		3 407	407 3	3 407	407 3	3 407	407 3	3 407	407 3	3 407	407 3	3 407	3 407	40	42	39	
<b>Vote 2 - Finance &amp; Administration</b>		5 930	930 5	5 930	930 5	5 930	930 5	5 930	930 5	5 930	930 5	5 930	5 930	71 154	73 151	74 022	
<b>Vote 3 - Finance &amp; Administration</b>		1 442	442 1	1 442	442 1	1 442	442 1	1 442	442 1	1 442	442 1	1 442	1 442	17 302	18 829	18 595	
<b>Vote 4 - Planning &amp; Development</b>		688	688	688	688	688	688	688	688	688	688	688	688	8 259	8 765	9 293	
<b>Vote 5 - Public Safety</b>		1 178	178 1	1 178	178 1	1 178	178 1	1 178	178 1	1 178	178 1	1 178	1 178	14 139	14 794	15 679	
<b>Vote 6 - Sports &amp; Recreation</b>		36	36	36	36	36	36	36	36	36	36	36	36	431	431	431	
<b>Vote 7 - Road Transport</b>		737	737	737	737	737	737	737	737	737	737	737	737	8 848	9 438	10 016	
<b>Vote 8 - Waste Management</b>		518	518	518	518	518	518	518	518	518	518	518	518	6 220	6 453	6 765	
<b>Vote 9 - Community &amp; Social Services</b>		1 072	072 1	1 072	072 1	1 072	072 1	1 072	072 1	1 072	072 1	1 072	1 072	12 860	13 584	14 364	
<b>Vote 10 - Community &amp; Social Services</b>		0	0	0	0	0	0	0	0	0	0	0	0	1 107	51 441	67 906	
<b>Vote 11 - Community &amp; Social Services</b>		676	676	676	676	676	676	676	676	676	676	676	676	8 107	9 441	9 906	

<b>Vote 12 - Energy Sources</b>		138	138	138	138	138	138	138	138	138	138	138	138	138	1	1	1
<b>Vote 13 - Environmental Protection</b>		5	5	5	5	5	5	5	5	5	5	5	5	5	55	123	135
<b>Vote 14 - [NAME OF VOTE 14]</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Vote 15 - [NAME OF VOTE 15]</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>		15 826	15 826	15 826	15 826	15 826	15 826	189 915	199 596	200 815							
<b>Surplus/(Deficit) before assoc.</b>		2 063	063 2	2 063	063 2	2 063	063 2	063	063 2	063	063 2	063	063 2	063	24 757	26 538	25 630
<b>Taxation</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Attributable to minorities</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Share of surplus/(deficit) of associate</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	1	2 063	063 2	2 063	063 2	2 063	063 2	063	063 2	063	063 2	063	063 2	063	24 757	26 538	25 630

### Appendix H(i): Revenue Collection Performance by Source

#### KZN281 Mfolozi - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23													Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand																	
<b><u>Revenue By Source</u></b>																	
Property rates	-	353	2	353	2	353	2	353	2 353	2 353	2 353	2 353	2 353	28 233	29 928	31 723	

<b>Service charges - electricity revenue</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service charges - water revenue</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service charges - sanitation revenue</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>	60	60	60	60	60	60	60	60	60	60	60	60	60	723	767	813
	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>Rental of facilities and equipment</b>	68	68	68	68	68	68	68	68	68	68	68	68	68	822	871	923
<b>Interest earned - external investments</b>	117	117	117	117	117	117	117	117	117	117	117	117	117	1 404	1 488	1 577
<b>Interest earned - outstanding debtors</b>	100	100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 248	1 298
<b>Dividends received</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	23	23	23	23	23	23	23	23	23	23	23	23	23	277	288	300
<b>Licences and permits</b>	11	11	11	11	11	11	11	11	11	11	11	11	11	130	135	141
<b>Agency services</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	12 960	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
<b>Other revenue</b>	18	18	18	18	18	18	18	18	18	18	18	18	18	217	226	235
<b>Gains</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	15 710	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
<b>Expenditure By Type</b>																
<b>Employee related costs</b>	6 340	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
<b>Remuneration of councillors</b>	988	988	988	988	988	988	988	988	988	988	988	988	988	11 856	12 396	12 984
<b>Debt impairment</b>	212	212	212	212	212	212	212	212	212	212	212	212	212	2 542	2 644	2 749
<b>Depreciation &amp; asset impairment</b>	1 434	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
<b>Finance charges</b>	46	46	46	46	46	46	46	46	46	46	46	46	46	547	574	603
<b>Bulk purchases - electricity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Inventory consumed</b>	197	197	197	197	197	197	197	197	197	197	197	197	197	2 365	2 014	2 098
<b>Contracted services</b>	3 374	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

<b>Transfers and subsidies</b>	121	121	121	121	121	121	121	121	121	121	121	121	121	1 450	2 239	2 311
<b>Other expenditure</b>	3 114	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
<b>Losses</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>	15 826	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
<b>Surplus/(Deficit)</b>	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(116)	(1) 393	(1) 479	(3) 501
<b>Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)</b>	2 179	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
<b>Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non- profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Transfers and subsidies - capital (in-kind - all)</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	2 063	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
<b>Taxation</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Attributable to minorities</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Share of surplus/ (deficit) of associate</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	1 063	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 H

Vote Description R thousands	Revenue Collection Performance by Vote R'000				
	2022/23 Original Budget	2022/23 Adjusted Budget	2022/23 Actual	2022/23 Original Budget Variance	2022/23 Original Budget Variance
<b>Revenue by Vote</b>					
Vote 1 - Executive & Council	–	–	–	–	–
Vote 2 - Finance & Administration	201,360	201,876	202,735	1%	0%
Vote 3 - Finance & Administration	–	–	–	–	–
Vote 4 - Planning & Development	1,475	2,225	–	0%	0%
Vote 5 - Public Safety	665	878	784	18%	-11%
Vote 6 - Sports & Recreation	577	898	331	-42%	-63%
Vote 7 - Road Transport	28,016	42,266	40,190	43%	-5%
Vote 8 - Waste Management	2,614	2,514	2,516	-4%	0%
Vote 9 - Community & Social Services	3,187	1,223	1,223	-62%	0%
<b>Total Revenue by Vote</b>	<b>237,893</b>	<b>251,880</b>	<b>247,778</b>	<b>4%</b>	<b>-2%</b>

Variance is calculated by diving the difference between actual and original/adjustments budget by the actual. This table is align to MBRRR table A3

## Appendix H(ii)

Description R thousands	Revenue Collection Performance by Source R'000				
	2022/23 Original Budget	2022/23 Adjusted Budget	2022/23 Actual	2022/23 Original Budget Variance	2022/23 Original Budget Variance
<b>Revenue By Source</b>					
Property rates	29,928	28,394	27,099	-9%	-5%
Service charges - refuse revenue	767	667	669	-13%	0%
Rental of facilities and equipment	871	671	560	-36%	-17%
Interest earned - external investments	1,912	2,195	3,940	105%	79%
Interest earned - outstanding debtors	1,272	1,272	1,121	-11%	-11%
Fines, penalties and forfeits	453	453	480	6%	6%
Licences and permits	212	425	304	43%	-28%
Transfers and subsidies - operational	174,250	175,321	171,764	-1%	-2%
Transfers and subsidies - capital	28,016	42,266	40,190	43%	-5%
Other revenue	214	216	1,652	–	–
<b>Total Revenue (including capital transfers)</b>	<b>237,893</b>	<b>251,880</b>	<b>247,778</b>	<b>4%</b>	<b>-2%</b>

Variance is calculated by diving the difference between actual and original/adjustments budget by the actual. This table is align to MBRRR table A4

# APPENDIX I

## ASSESSMENT BY THE ACCOUNTING OFFICER ON ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES.

The municipality levies rates to all properties that are reflected in the municipal valuation roll. A supplementary valuation roll was submitted to council and is being implemented. Policy viewed and adopted by the municipality in this regard. The municipality further ensured that a gazette is promulgated for the levying of property rates. A tariff policy was also adopted by council and further gazette for the levying of property rates. Properties are charged a tariff based of the tariffs as approved by council. It must also be further noted that the revenue that is derived from the property rates is R 27 099 047 which is R1 294 953 less than our anticipated budget of the municipality. A strategy was developed to somewhat increase revenue collected from rates. The municipality also appointed the services of a debt collector in order to increase revenue collection.

**Below is a reconciliation of debtors as at 30 June 2023 (USE AMOUNTS SHOWN IN THE AFS)**

	2023 R	2022 R
Rates & Refuse	19 049 479	18 236 924
Fines	920 864	12 133 139
Vat Debtors	7 701 766	6 062 627
Housing Rental	-	-
Sundry	144 196	-
Less Provision for bad debts	(4 016 435)	(1 141 734)
<b>Total</b>	<b>23 793 870</b>	<b>35 290 956</b>

## APPENDIX J

DISCLOSURES OF FINANCIAL INTEREST		
PERIOD 1 JULY 2022 TO 30 JUNE 2023		
POSITION	NAME	DESCRIPTION OF FINANCIAL INTEREST
Mayor	Cllr XM Bhengu	BMX Trading cc, Sbani Trading cc, Ingqungqulu Coop, Uthuthuva Coop
Deputy Mayor/ Exco Member	Cllr TM Biyela	DSTV. Employee by Department of Education, receive the remuneration of R34 000,00
Exco Member	Miss SP Mpanza	None
Exco Member	Mr BT Ntombela	Directorship of Mahlobo Communications
Exco Member	Mr NS Ngubane	Employment remuneration from Department of Economic Development
Minicipal Manager	Mr LS Jili	Masengwa Sandy Trust
Chief Financial Officer	Mr ZJ Ndlovu	None
Senior Manager : Corporate Services	Miss AS Sandu	None
Senior Manager : Technical Services	Mr SG Hlatshwayo	52 Schweitzer Crescent Empangeni 3880
Senior Manager : Community Services	Mr SS Maphanga	None

# Appendex K



## *Final Draft Audit and Performance Audit Committee Annual Report (01 July 2022 to 30 June 2023)*

# *Final Draft Audit and*



## *Perf3ormance Audit Committee Annual Report (01 July 2022 to 30 June 2023)*

uMFOLOZI LOCAL MUNICIPALITY – KZ281  
UMASIPALA WASEMFOLOZI

**Audit and Performance Audit Committee Report  
Financial Year Commencing from  
01 July 2022 to 30 June 2023**

**Report prepared by:**  
**Chairperson of the Audit and Performance Audit Committee**

## **1. INTRODUCTION AND BACKGROUND**

The Audit and Performance Audit Committee of the uMfolozi Local Municipality was established in accordance with section 166 of the Local Government Municipal Finance Management Act No. 56 of 2003. **The main purpose for the establishment of this oversight structure has been to ensure adherence to the provisions of the Municipal Finance Management Act, the applicable provisions of the Municipal Systems Act and the Municipal Structures Act and other applicable regulations.** In carrying out its mandate, the Audit and Performance Audit Committee took into consideration the strategic goals of the uMfolozi Council and its strategic focus areas and development priorities as outlined in the 2022/2023 Reviewed Integrated Development Plan (IDP) and the 2022/2023 Service Delivery and Budget Implementation Plan (SDBIP).

## **2. ROLE OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE**

The role of the Audit and Performance Audit Committee has been to **assist the Council and the Accounting Officer in fulfilling its oversight responsibilities with regard to the integrity of internal control and accounting function**, internal auditing and external auditing and reporting practices of the municipality and other such duties as may be directed by the Council and Accounting officer, and in so doing the Committee:

- a) **Advised the Municipal Council, the Political Office-bearers, the Accounting Officer and the Management and Staff of the Municipality** on matters relating to:
  - i. internal financial control and internal audits;
  - ii. risk management;
  - iii. accounting policies;
  - iv. the adequacy, reliability and accuracy of financial reporting and information; performance management;
  - v. effective governance;
  - vi. compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation;
  - vii. performance evaluation; and
  - viii. any other issues referred to it by the municipality.

- b) **Reviewed the Annual Financial Statements to provide Council of the with an authoritative and credible view of the financial position** of the Municipality, its efficiency and effectiveness and its overall level of compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation; and
- c) Recommended to Council on any issues raised by the Auditor-General in the 2021/2022 Audit Report;

### **3. REPORTING RESPONSIBILITIES**

**The Chairperson of the Audit and Performance Audit Committee was expected to report, on quarterly basis, to the Council on the operations** of the Internal Audit unit and the Audit and Performance Audit Committee. However, during the year under review only three invitation was given to this effect and had to rely on Minutes submission to Council. The Minutes of Minutes to Council included the following:

- a) A summary of the work performed by the Internal Audit and the Audit and Performance Audit Committee against their respective annual work plans.
- b) Effectiveness of internal controls and additional measures that had to be implemented to address identified risks.
- c) A summary of key issues dealt with, such as significant internal and external audit findings, recommendations and updated status thereof.
- d) Progress with any investigations and their outcomes.
- e) Other matters requested of the Internal Audit and Audit and Performance Audit Committee.

### **4. COMPOSITION OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE**

The Audit and Performance Audit Committee of the uMfolozi Local Municipality is composed as follows:

Name of Member	Position	Number of Planned Meetings Held	Number of Meetings Each Member Attended	Comments
Mr I Nzuza	Chairperson	7	7	
Mr Z Zulu	Current Member	7	6	
Miss S Khanyile	Former Member	4	4	Temporally Appointed August 2022
Miss T Msane	Current Member	2	2	Appointed March

				2023
Mr P Maklina	Current Member	2	2	Appointed March 2023

## DATES OF AUDIT AND PERFORMANCE AUDIT COMMITTEE MEETINGS

No	DATE OF MEETING	PURPOSE/OUTCOMES
1	25 August 2022 to 31 August 2022 (Special)	Review Draft AFS, Draft APR and Draft AR 3 Meetings
2	06 December 2022 (Ordinary)	Ordinary Audit Committee Meeting Quarter One Review
3	20 January 2023 (Ordinary )	Special Audit Committee Meeting to attend to items where reports were not submitted on time for the meeting on the 06 December 2022.
4	30 March 2023 (Ordinary )	Ordinary Audit Committee Meeting Quarter Two Review
5	31 May 2023	Ordinary Audit Committee Meeting Quarter Three Review

## 5. AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT 2022 – 2023

The Audit and Performance Audit Committee hereby submits this report to Council which has been consolidated from its meetings which took place during the year under review in compliance with the provisions of the approved Audit and Performance Audit Committee Charter.

NO	DESCRIPTION	AUDIT AND PERFORMANCE AUDIT COMMITTEE RECOMMENDATION(S)
1.	AFS, APR and AR Special Meeting	The Audit and Performance Audit Committee noted and recommended to Council the Draft AFS and Draft APR and Draft AR as prepared by Management and reviewed by the Internal Audit
2.	Internal Audit: Quarterly PMS Reports	The Audit and Performance Audit Committee strongly recommended that <b>The Municipal Manager should prioritize the finalization of Mid-Year and Sec 57 Performance Assessments</b> as they would be raised as an audit finding by the Auditor-General.
3.	Internal Audit: AG Follow-Up Reports	<p>a) The Audit and Performance Audit Committee noted with concern that most of audit findings were not yet resolved.</p> <p>b) The Audit and Performance Audit Committee <b>noted with dismay the contradictory responses</b></p>

		<p>by Management on IA findings and recommendations when read together with Action Plans</p> <p>c) The Audit and Performance Audit Committee further acknowledges that Management did <b>develop Action Plans to address A-G follow-up findings but recommends timely follow up and closer of those findings.</b></p>
4.	Internal Audit: SCM Report	The Audit and Performance Audit Committee recommended that the <b>Management should make sure that all findings raised by the Internal Auditors were resolved before Auditor-General commences the audit</b> for 2022/2023 Financial Year.
5.	Internal Audit: Risk Management Report	The Audit and Performance Audit Committee recommended that Management should make sure that all risk action items from the 2022/2023 Operational Risk Registers, Organizational Risk Register and Fraud Risk Register are resolved.
6.	Internal Audit: Progress Report	The Audit and Performance Audit Committee resolved that <b>Internal Auditors should ensure that they transfer skills to the staff</b> of the Municipality (especially Finance Interns) as part of their exit plan. <b>To date, this has not been demonstrated</b>
7.	Internal Audit: SCM Quarterly Reports	The Audit and Performance Audit Committee recommended that the Management should make sure that all findings raised by the Internal Auditors were resolved before the Auditor-General commenced with the audit for 2022/2023 Financial Year.
8.	Section 71 and Section 52 (d) Reports	a) The Audit and Performance Audit Committee noted the financial health of the Municipality as a Going concern.
09.	Attendance of Political Office-Bearers of the Audit and Performance Audit Committee meetings especially MPAC chairperson	Through the year the Audit and Performance Audit Committee has been concerned that <b>political office-bearers or their representative did not attend any Audit and Performance Audit Committee meetings</b> as per Treasury Guidelines This has impacted on the Recommendations made to Council since feedback on implementation thereof could not be guaranteed
10.	Human Resource Issues	The Audit and Performance Audit Committee

	and Disciplinary Cases	<p>noted the reports on Human Resource issues and disciplinary cases as presented by Management, but avoided the temptation to delve into greater details on these as they were sub judice or sensitive in nature.</p> <p>Audit Committee noted with Concerns the time it takes to resolve disciplinary matters in the Municipality. Most disciplinary matters takes very long to conclude and this is likely to impact work and or costs where employees are on paid suspension and replacement put in place.</p>
11.	Investigation Report on Irregular and Unauthorized Expenditure	<p>The Audit Committee has strongly recommending that <b>Council should find a way and pass a Resolution so that historical findings do not become repeat findings</b> thus denying the Municipality a "Clean Audit" report</p> <p>The Audit Committee has further recommended proper management of Consultants' costs and Corrective measures with regards to procurement of protective services for office bearers and officials.</p>
12	Consequence Management Reports	<p>The Audit and Performance Audit Committee noted the reports presented by Management on the documented processes to implement Cconsequence Management and formation of Disciplinary board as part of the steps to implement Consequence Management.</p>

## 6. CONCLUSION

6.1 The Audit and Performance Audit Committee notes that, **to date, the Municipality has not introduced and implemented internal measures to address unauthorized, irregular, fruitless and wasteful expenditure** which will improve the audit outcome.

6.2 The Audit Committee **is doubtful whether the Audit and Performance Audit Committee's recommendations had any impact on the Council's oversight functionality because:**

- a) Limited improvements in SCM processes due to high staff turnover and vacancies in critical roles within SCM function.

- b) Limited improvement in AFS review process. Lack of proper time allocated to Internal Audit to execute their review responsibilities with regards to AFS and Audit Committee to do oversight.

6.3 The Audit and Performance Audit and Performance Audit Committee further notes the regress in **Municipality's Risk Management Reports** due to changes in the risk Management portfolio.

6.4 The Audit and Performance Audit Committee **sternly asserts that there is room for improvement in enhancing the uMfolozi Municipal Council's oversight role over its administration** and thereby ensuring that the performance of the Municipality improves, and service delivery is enhanced and "**a clean audit outcome**" is to be a reality during this year under review.

6.4 Recommendations made by the Audit Committee during its meetings can be found in Register of Recommendations and **Minutes of Audit Committee meetings**.

6.5 Council is strongly advised to resolve that **feedback and status reports** on the implementation of the recommendations become a standing item in all Council Meetings

6.6 Council **meetings must be attended also by the Chairperson of the Committee** or his delegate and sufficient time is given to the item for clarifications and verification of implementation status

**Report submitted on behalf of the Audit and Performance Audit and Performance Audit Committee by:**

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**Mr IT Nzuza**

**CHAIRPERSON OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE**

