



UMZUMBE
M U N I C I P A L I T Y

ANNUAL REPORT

2023/2024 FINANCIAL YEAR

DEVELOPMENT PLANNING UNIT

Contents

1	Chapter 1 Foreword and Executive Summary	7
1.1	Mayors Foreword and Executive Summary	7
1.2	Municipal Managers Overview	9
1.3	Municipal Functions, Population and Environmental Overview.....	10
1.4	Service Delivery Overview	21
1.5	Financial Health Overview	23
1.6	Supply Chain Management.....	28
1.7	Financial Services.....	28
2	Chapter 5: Financial Performance.....	30
	Component A: Statement of Financial Performance	30
2.1	Statement of Financial Performance (Refer to AFS)	30
2.2	Grants.....	31
2.3	Asset Management.....	31
	Introduction to Asset Management	31
	Component B: Spending Against Capital Budget Introduction to Spending Against Capital Budget.....	32
2.4	Sources of Finance	33
2.5	Capital Spending on 5 Largest Projects	35
2.6	Basic Service and Infrastructure Backlogs Overview	35
2.7	Cash Flow Statement.....	36
2.8	Public Private Partnership.....	37
	Component D: Other financial Matters.....	37
2.9	Supply Chain Management.....	37
2.10	GRAP Compliance	37
3	Chapter 6 – Auditor General Audit Findings Introduction.....	37
	Component A: Auditor – General Opinion of Financial Statements Year-1	37
3.1	Auditor General Report Year 2022/2023 (Previous Year) (Annexure A)	37
	Component B: Auditor General Opinion Year 0 (Current Year).....	39
3.2	Auditor General Report Year 2023/2024 (Current Year of Reporting) (Annexure B)....	39
3.2.1	Umzumbe Corrective Action Plan 2023/2024 Financial Year	40
	Appendix F - Revenue Collection Performance by Source	41
	Appendix G – Conditional Grants Received Including MIG	42
	Appendix H – Revenue Collection Performance by Vote and by Source	43
	Appendix I Conditional Grants Received: Excluding MIG	44
	Appendix K: Capital Expenditure – New & Upgrade/ Renewal Programmes	45
	Volume ii Annual Financial Statement (Annexure E)	46

4	Chapter 2 Governance.....	47
	Component A	47
4.1	Political and Administrative Governance	47
4.2	Administrative Governance	55
2.3.	By-laws	58
	Municipal Website	58
a.	Human Resources Services	64
b.	Information Communication Technology (ICT) Services	66
	Component K: Organizational Performance Scorecard (Annexure A).....	68
f)	Chapter 4: Organisational Development Performance	69
	Component A: Introduction to the Municipal Personnel	69
a.	Employees Totals, Turnover and Vacancies.....	69
	Component B: Managing the Municipal Workforce	70
b.	Policies	70
c.	Injuries, Sickness and Suspensions	71
d.	Performance Rewards	71
e.	Skills Development and Training	72
	Appendix B – Third Tier Administrative Structure	77
	Component B: Intergovernmental Relations	78
4.3	Intergovernmental Relations	78
	Component C: Public Accountability and Participation.....	79
4.4	Public Meetings	79
4.5	IDP Participation and Alignment.....	81
	Component D: Corporate Governance	82
4.6	Risk Management.....	82
4.7	Supply Chain Management.....	129
4.8	By-laws	129
4.9	Municipal Website.....	129
5	Chapter 3 – Service Delivery Overview & Performance	131
	Component A: Basic Services	131
5.1	Water Provision	131
5.2	Wastewater (Sanitation) Provision	134
5.3	Electricity	134
5.4	Waste management (Refuse collection, waste disposal, street cleaning and recycling) 140	
5.5	Housing	144
	Component B: Road Transport.....	147

5.6	Roads	147
5.7	Transport (Vehicle Licensing and Public Bus Operation)	153
5.8	Waste (Storm Water Drainage)	155
	Component C: Planning and Development.....	156
5.9	Development Planning	156
5.10	Local Economic Development	160
	Component D: Community and Social Services & Fire Fighting Services	163
5.11	Libraries; Archive's, Museums, Galleries, Education, Community Facilities; other.	163
5.11.1	Child Care, Aged Care, Social Programmes	165
	Component E: Environmental Protection	166
5.12	Biodiversity, Landscape (Incl. Open Spaces): and Other (EG Coastal Protection).166	
	Component G: Security and Safety	172
5.13	Free Basic Services and Indigent Support.....	172
5.14	Police	173
5.15	Fire.....	174
5.16	Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other).....	175
	Component H: Sport and Recreation	179
5.17	Sports and Recreation / Youth Development.....	179
5.17.1	Sports and Recreation	179
	Component I: Corporate Policy Offices and Other Services	181
5.18	Executive and Council.....	181
5.19	Financial Services	181
5.20	Human Resources Services	183
5.21	Information Communication Technology (ICT) Services	184
	Component K: Organizational Performance Scorecard (Annexure A).....	187
6	Chapter 4: Organisational Development Performance	188
	Component A: Introduction to the Municipal Personnel	188
6.1	Employees Totals, Turnover and Vacancies	188
	Component B: Managing the Municipal Workforce	189
6.2	Policies	189
6.3	Injuries, Sickness and Suspensions.....	190
6.4	Performance Rewards	191
6.5	Skills Development and Training.....	191
7	Chapter 5: Financial Performance.....	193
	Component A: Statement of Financial Performance	193
7.1	Statement of Financial Performance (Refer to AFS)	193

7.2	Grants.....	194
7.3	Asset Management.....	194
	Introduction to Asset Management	194
	Component B: Spending Against Capital Budget Introduction to Spending Against Capital Budget.....	195
7.4	Sources of Finance	196
7.5	Capital Spending on 5 Largest Projects	198
7.6	Basic Service and Infrastructure Backlogs Overview	198
7.7	Cash Flow Statement.....	199
7.8	Public Private Partnership.....	200
	Component D: Other financial Matters.....	200
7.9	Supply Chain Management.....	200
7.10	GRAP Compliance	200
8	Chapter 6 – Auditor General Audit Findings Introduction.....	200
	Component A: Auditor – General Opinion of Financial Statements Year-1	200
8.1	Auditor General Report Year 2022/2023 (Previous Year) (Annexure A).....	200
	Component B: Auditor General Opinion Year 0 (Current Year).....	202
8.2	Auditor General Report Year 2022/2023 (Current Year of Reporting) (Annexure B).....	202
8.2.1	Umzumbe Corrective Action Plan 2023/2024 Financial Year	203
	Glossary	204
	Appendix A – Committees and Committee Purposes	208
	Appendix B – Third Tier Administrative Structure	210
	Appendix C – Functions of Municipality / Municipal Entity / Entity functions	210
	Appendix D – Ward Reporting.....	212
8.2.2	Audit Committee Chairman's Report (Annexure D).....	216
8.2.3	Appendix E – Recommendations of the Municipal Audit Committee Year 0.....	216
	Final audit report on supply chain management.	216
	Follow up audit report – disaster management.....	217
	• To note the follow up audit report on disaster management, and	217
	• The updated report to be submitted at the next ordinary audit committee meeting.....	217
	Draft annual internal audit plan for 2023/2024.....	217
	SDBIP SCORE CARDS FOR 2023/2024	218
	Draft Annual Financial Statements for 2022/2023 financial year	218
	Draft Annual Report	222
	Quarter 2 PMS Report And SDBIP.....	222
13.	Other Matters	223
	Appendix F - Revenue Collection Performance by Source.....	224

Appendix G – Conditional Grants Received Including MIG	225
Appendix H – Revenue Collection Performance by Vote and by Source	226
Appendix I Conditional Grants Received: Excluding MIG	227
Appendix K: Capital Expenditure – New & Upgrade/ Renewal Programmes	228
Volume ii Annual Financial Statement (Annexure E)	229
Umzumbe Oversight Report 2023/24 FY.....	230
Annual Report 2023/24 Council Resolution.....	231

1 Chapter 1 Foreword and Executive Summary

1.1 Mayors Foreword and Executive Summary



Warm greetings to the people of Umzumbe Municipality. Allow me to present the Municipality's Annual Performance Report for the financial year 2023/2024 as mandated by the Local Government Municipal Systems Act of 2003.

As a mandate from the voters of Umzumbe Municipality, our primary objective is to ensure that the lives of our people change for the better. Goal number one from the 17 Sustainable Developmental Goals (SDG) from the United Nations talks about ending poverty, which is still troubling our people, particularly in Africa. As we are concluding the third year in office, I am more confident that the path we have set ourselves as this Council is promising to be successful, bearing in mind that more is still needed for the betterment of our people.

It is imperative for Umzumbe Municipality to redirect its focus on economic development and job creation. Through our own Local Economic Development Unit, we have started to forge strategic partnerships with other municipalities that are excelling in attracting investors in tourism and agriculture. We have moved a step further on this matter by engaging directly with investors who visited all the identified areas for the development of tourism.

Obviously, we will not achieve the above-mentioned efforts without the assistance of Amakhosi aseNdlunkulu, who are the custodians of the land. We have already started this process, and in some areas, we are almost done with the concerned traditional authorities. What is more encouraging is the fact that Amakhosi are in support of our proposals. For us, we need to move with speed and attend to all issues that are raised by Amakhosi so that engagements are concluded.

The 2021 Council term is almost four years old, and we have seen major improvements in terms of service delivery. We are in progress with the implementation of key infrastructural projects such as the Old Clinic Road.

Where we've constructed about 2.4km access road, Mzukhwane Access Road where we've constructed about 2.2kms and we've also started the construction of the Indoor Sport Centre Cluster B and the new Municipal Offices located in ward 20. We have successfully handed over the Fokseni Access road and Phungula Access Road.

Our plan is to ensure that we reduce gravel roads in Umzumbe Municipality. We are also pushing our officials to ensure that our Labour Intensive Construction roads are completed, as we are currently in

implementing phase 1 of the LIC programme where focus has been placed on Sokudla; Sokhela W-07 (1.6km) ; Nkobeni W-08 (1km); Mgorha W-09 (2.3km); Thaskweni W-02 (3.5km); Chibini W-04 (3.2km); (Selesele W-03 (1km); Mfuleni W-10 (0.6km).

A stable administration is a cornerstone of every institution. I am worried about this matter because senior management positions such as the Director: Social and Community Services and Director: Technical Services are vacant; however, we have started the recruitment processes to ensure that these critical posts are filled. The Municipal Manager position is currently being held by the Acting Municipal Manager, Mrs. A.N. Dlamini, and the CFO position is being held by the Acting CFO, Mr. N. Duma.

The Council has started the recruitment process for these positions, and we hope to fill them during the 2024/2025 FY. I am pleased to say that they are settling well into their new respective responsibilities and will improve the municipality's vision with their fresh and innovative ideas.

We are also pleased to welcome the new Councillors who were sworn in on the 28th of June 2024 from Ward 1: Cllr K. Msomi, Ward 2: Cllr P. Qwabe, Ward 3: Cllr T. Ngwazi, Ward 9: Cllr S. Zuke, Ward 11: Cllr S. Maphumulo and from Ward 19: Cllr S. Zuma.

I must end by thanking all Councillors, Management, and staff for making sure that the municipality is functional and is going in the right direction. We hope that the upcoming years will bring all the necessary needs for the upliftment of Umzumbe Municipality.

His Worship

Cllr B.G Nyuswa

Mayor Umzumbe Local Municipality

1.2 Municipal Managers Overview

MUNICIPAL MANAGER'S OVERVIEW 2023/24 FINANCIAL YEAR

The 2023/2024 financial year has come to an end, and it is time to reflect on how the year has progressed. It has been an interesting year, as always, when dealing with the people of Umzumbe in changing their lives for the better. Our founding document in implementing the programmes of the municipality is the Integrated Development Plan (IDP), which has been reviewed and aligned with the budget at the municipality's disposal.

Departments of the municipality were charged with the implementation of the programmes as clearly contained in the Service Delivery and Budget Implementation Plan (SDBIP), as approved by the Council. These programs are aligned to the six Key Performance Areas (KPA), namely, Municipal Transformation and Institutional Development, Basic Services and Infrastructure Development, Local Economic Development, Financial Viability and Management, Good Governance and Public Participation, and Cross-Cutting Interventions.

The municipality came to the end of the elective term for the Council, which was inaugurated on 03 August 2016, and welcomed the newly elected Council, inaugurated in November 2021.

The Report will therefore highlight the

municipal performance for the 2023/2024 Financial Year and the previous financial year's performance (2022/2023). It must also be noted that the municipal fiscus is not improving from the National Grants as we are a grant-dependent municipality. Despite these financial constraints, our commitment to delivering quality services remains unwavering.

The year of reporting saw the implementation of the District Development Model (DDM), endorsed by President Ramaphosa as a model to improve integration amongst government departments and the municipality.

The model aims to have a One Plan/One Budget approach to guide planning and implementation of government objectives and priorities. Umzumbe LM is actively participating in various DDM clusters and forums for effective implementation of the model. Through prudent financial management, we could augment our budget using internal savings, ensuring that essential projects and services were not compromised.

Yours in Service Delivery

Mrs. A. N. Dlamini
Acting Municipal Manager
Umzumbe Local Municipality

1.3 Municipal Functions, Population and Environmental Overview

Municipal Functions

Umzumbe Local Municipality has the function and powers assigned to it in terms of sections 156 and 229 of the Constitution of the Republic of South Africa. The Municipal Structures Act of 1998 makes provision for the division of powers and functions between the district and local municipalities. It assigns the day-to-day service delivery functions to the local municipalities. The Provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services. Regarding the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is the function of the district municipality.

Whilst the Local Municipality is responsible for day-to-day Planning, it is also in liaison with the District for advice and support. Amongst other things the powers and functions of the municipalities are as indicated in the table below.

UMZUMBE MUNICIPALITY FUNCTIONS	DISTRICT FUNCTIONS	SHARED SERVICES
• Building Regulations • Pontoons, Ferries, Jetties, Piers, and Harbours • Storm Water Management Systems in Built up Areas • Trading Regulations • Billboards and the Display of Advertisements in Public Places • Cleansing • Control of Public Nuisances • Street Lighting • Traffic and Parking • Control of Undertakings that sell Liquor to the Public • Facilities for the accommodation, care and burial of animals • Fences and Fencing • Licensing and Control of Undertakings that sell food to the public • Local Amenities • Local Sport Facilities	• Municipal Health Services • Water and Sanitation services • Air Quality Management	• Fire Fighting Services • Local Tourism • Municipal Airports • Municipal Public Transport • Cemeteries, Funeral Parlours and Crematoria • Markets • Municipal Abattoirs • Refuse Removal, Refuse Dumps and Solid Waste • Disaster Management services

Listed below are the current functions performed by the municipality: -

- Building Regulations
- Storm Water Management System in Built up Areas
- Trading Regulations
- Refuse Removal
- Traffic (in process)
- Fences and Fencing
- Local Sports Facilities
- Public Places
- Local Economic Development
- Development Planning
- Disaster Management
- Fire and Rescue Service
- Outdoor Advertising
- Streetlights

Demographics & Location

The latest 2022 community survey indicates that Umzumbe municipality's total population is 139 045 people, where males account for 47.1% of the population and the female is 52.9%. There was a -1.0% annual growth rate between 2011 and 2022. Umzumbe's Municipal Infrastructure Investment Framework (MIIF) is categorised as a category B4, which is a local municipality which is mainly rural with communal tenure and with, at most, one or two small towns in its area. The most populated ward in the municipality is ward 03 with 10094 people and ward 05 with a total population of 9517 people, ward 17 with the least population of 5856.

KZN213: Umzumbe	Male	Female	Total
	65 490	73 555	139 045

Source: Stats SA Community Survey 2022

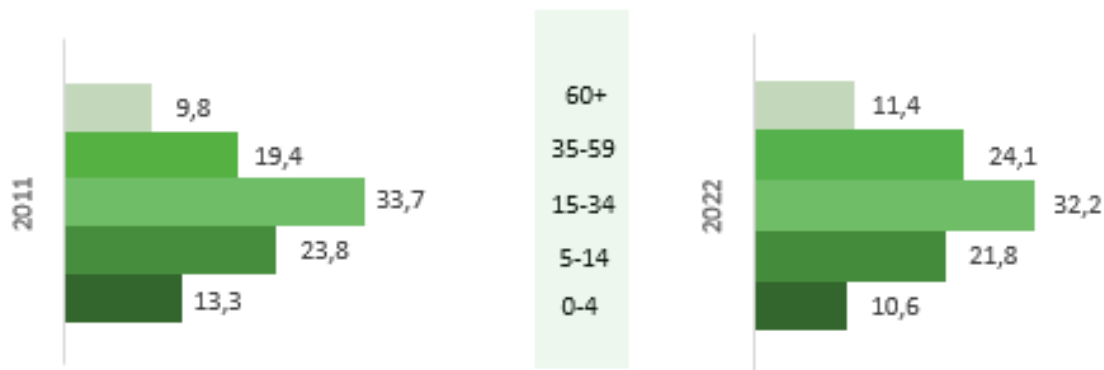
Ward Number	Population
Ward 1	7,681
Ward 2	5,977
Ward 3	10,094
Ward 4	9,090
Ward 5	9,517
Ward 6	6,870
Ward 7	8,935
Ward 8	6,104
Ward 9	8,624
Ward 10	6,742
Ward 11	7,116
Ward 12	6,699
Ward 13	6,730

Ward Number	Population
Ward 14	7,740
Ward 15	8,243
Ward 16	8,504
Ward 17	8,856
Ward 18	7,733
Ward 19	7,135
Ward 20	8,017

Source: Stats SA Community Survey 2016

The South African Community Survey 2022 and as depicted below, it is reflected that there was a slight regression in the youth population of Umzumbe.

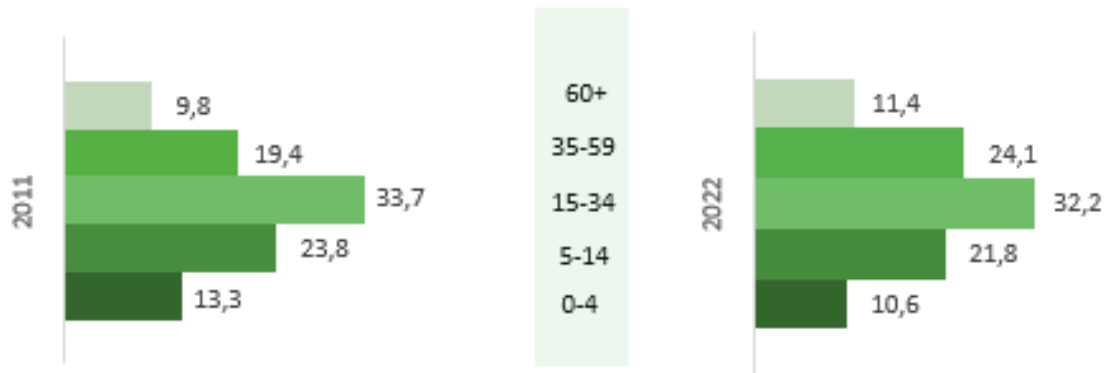
PERCENTAGE POPULATION BY BROAD AGE CATEGORIES (2011 AND 2022)



Source: Stats SA 2022

The dependency ratio in Umzumbe Municipality in 2022 was 77,8 with the child dependency standing at 20,2. The school attendance of 5 – 24 year-olds, decreased from 53 585 in 2011 to 40 015 in 2022. In 2011 the percentage share of 5 – 25 year-olds attending school was 1,8% and in 2022, the percentage was 1,3%.

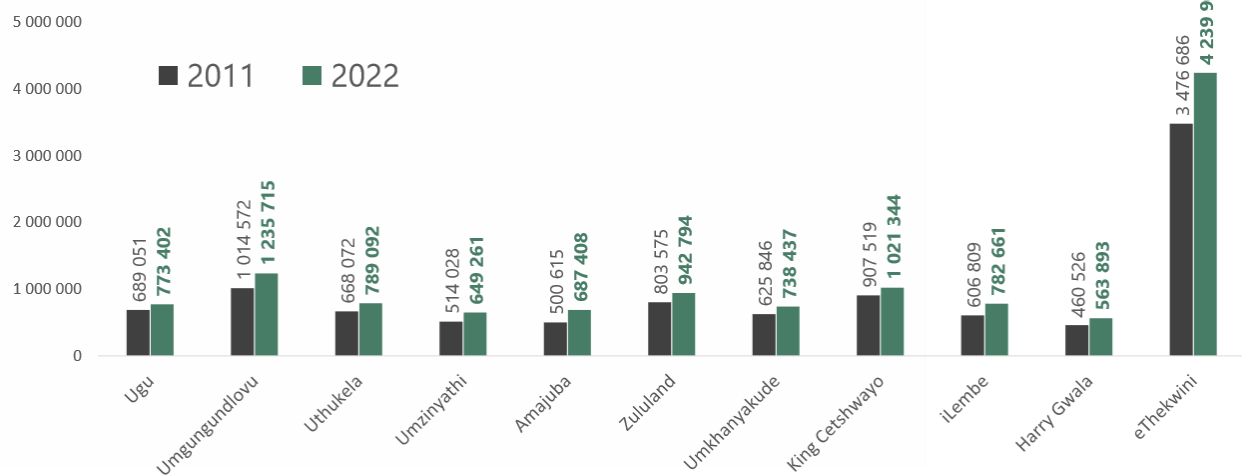
PERCENTAGE POPULATION BY BROAD AGE CATEGORIES (2011 AND 2022)



Source: Stats SA (2022)

From a Provincial perspective, the overall population has increased throughout all the KZN districts as depicted in the graph below. It is illustrated that there was an increase of 90 351 in the uGu district population from 2011 to 2022.

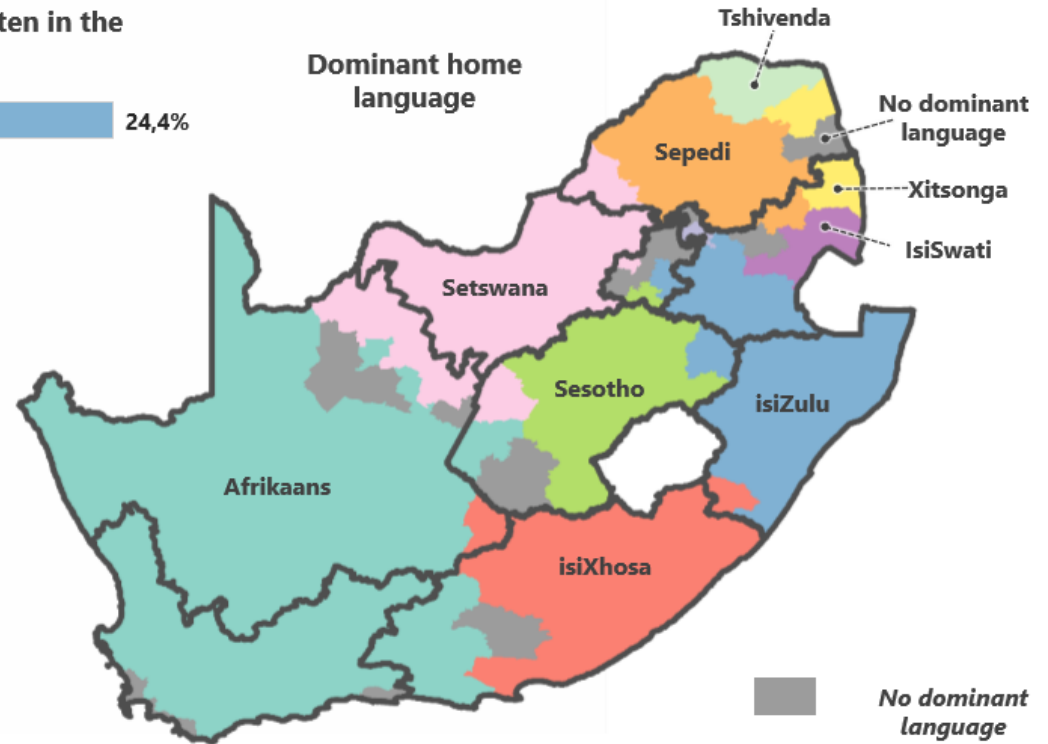
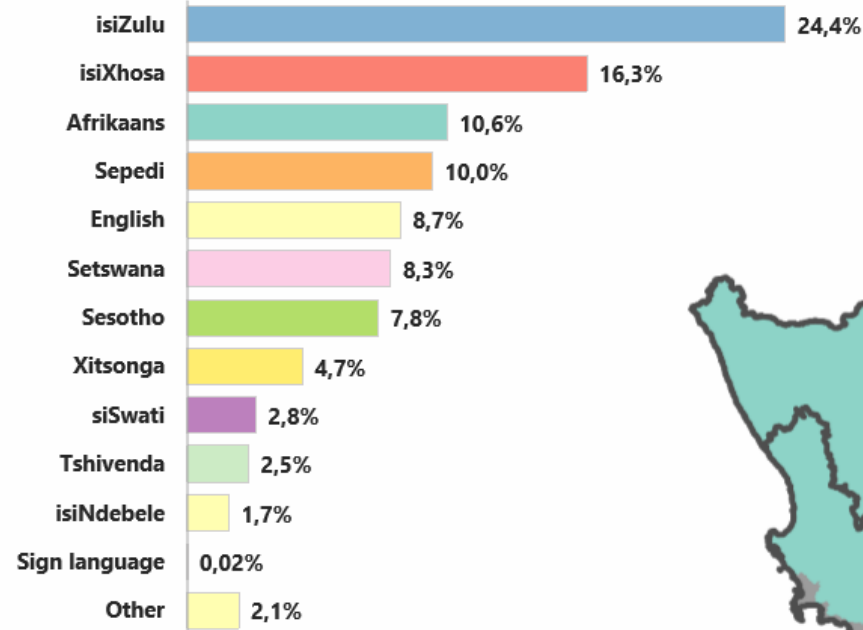
KZN population by districts, 2011 -2022 .



Source: Stats SA (2022)

South Africa is proverbial for exhibiting unique distribution of languages across the country, within the case of Umzumbe, the population distribution by language spoken most often in the households is IsiZulu. This is depicted in the illustration below.

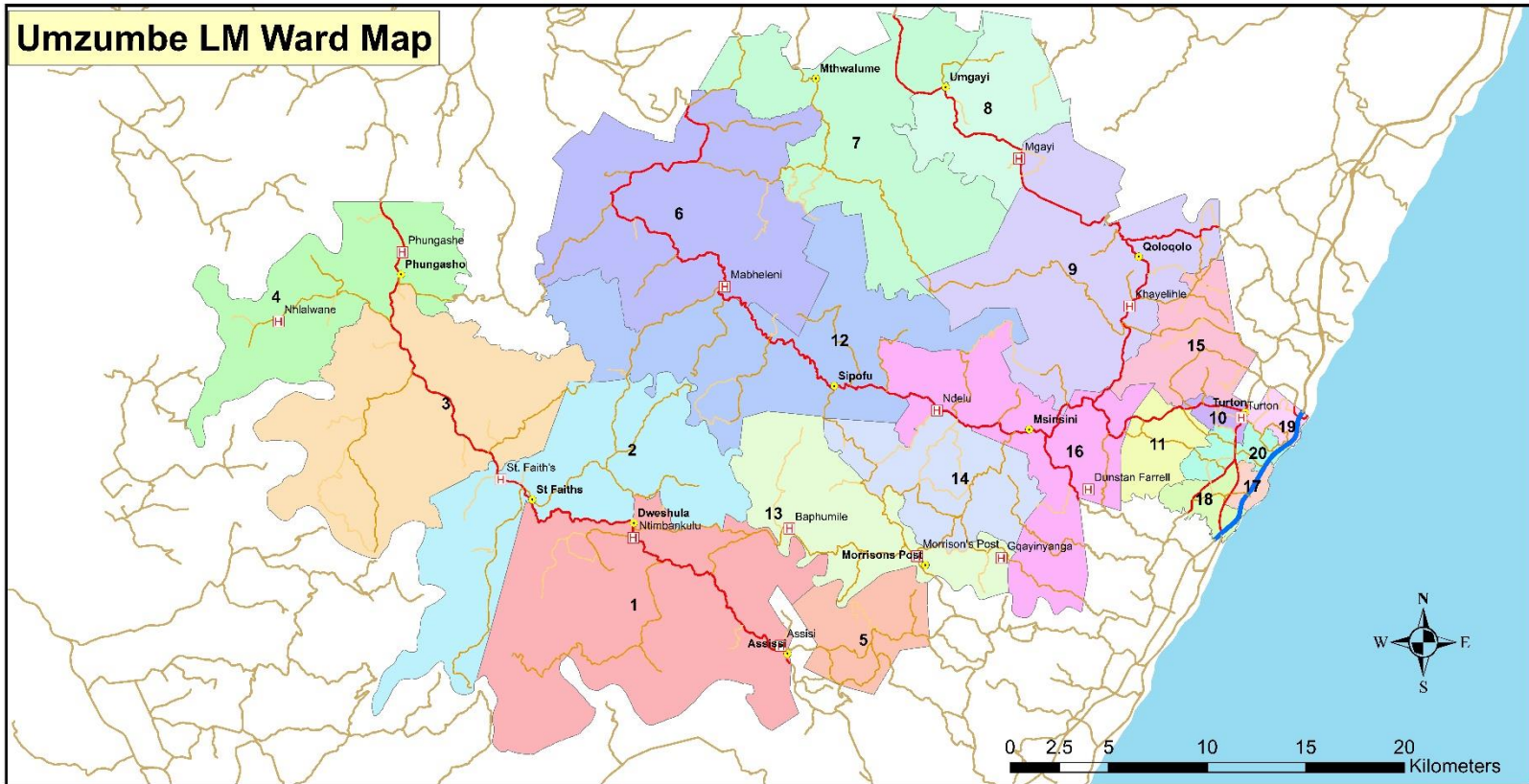
Population distribution by language spoken most often in the household, 2022



Source: Stats SA (2022)

The municipality is located in the southern coastal area of KwaZulu Natal, specifically within the Ugu District, which includes four local municipalities: Umzumbe, Ray Nkonyeni, Umdoni, and Umuziwabantu Municipality. The decrease in population, as indicated earlier, is primarily due to the phenomenon of rural-to-urban migration. People are leaving rural areas in search of improved employment prospects, better economic opportunities, and greater access to education.

It is evident that Umzumbe local municipality is facing challenges related to declining population, which can have adverse effects on the local economy. To address this issue and stimulate economic growth, there is a clear need for increased investment in the municipality. This investment could take various forms, such as infrastructure development, job creation initiatives, and educational enhancements, all of which can contribute to retaining residents and attracting new ones. By investing in these areas, the municipality can work towards offering its residents better prospects for employment and economic advancement, thereby mitigating the impact of rural-urban migration and fostering local economic development.



UMZUMBE
MUNICIPALITY

Umzumbe Local Municipality
Department: Development Planning
Tel: 039 872 0005
Fax: 039 972 0099

Legend

Health	2	11	20
SDF_Nodes_Legend	3	12	Indian Ocean
External_Roads	4	13	
National Road	5	14	
Provincial Road	6	15	
District Road	7	16	
Local Road	8	17	
WardNo	9	18	
1	10	19	

The table below depicts the settlements within the Umzumbe Municipality.

Settlement Type	Ward No
KwaDweshula	1
Gcwalemini	1
Sunduza	1
Cathula	1
Mawuleni	1
Ncane	1
Ncazolo	2
Ngoleleni	2
Ndlovuzulu	2
Bhekameva	3
Dunusa	3
Deyi	3
Phongolo	3
Goba	3
Ngcengesi	3
Gumatane	3
Thaleni	3
KwaNtumeni	4
Eluphepheni	4
Imfomfo	4
Nomageje	4
KwaMagugu	4
Sosibo	4
Nhlalwane	4
Ntengela	5
Mayekeni	5
Mehlomnyama	5
Thuntutha	5
Enkulu	5
Gugha	6
Gobhamehlo	6
KwaNjongoma	6
Qurha	6
KwaMaqhikizane	7
Maqikizane	7
Nyavini	7
Isangqu	7
Umgai	8

Settlement Type	Ward No
Umgayi	8/9
Mbiyane	9
Qoloqolo	9
Gubhugubhu	9
Nyangwini	10
Turton	10
Isiqungeni	11
Amahwaqa	11
Ngwenda	12
KwaBombo	12
Ntabazu	12
Sipofu	12
Gubhuza	12
Mbonje	13
Nkalokazi	13
Ndumakude	13
Hlanzeni	13
Inkulu	14
Odeke	14
Dibi	14
Rosettenville	14
Nkangala	15
Nomakhazana	15
Dingimbiza	15
Nyonyana	16
Ndunge	16
Cabhane	16
Velumemeze	16
Gqayinyanga	16
Mfazazane	17
Mathulini	18
Mthwalume	19
Nkambeni	20
Mnafu	20

1.4 Service Delivery Overview

Umzumbe Local Municipality is mandated to practice and provide services to achieve the local governance objectives which are:

- a) To provide democratic and accountable government for local communities
- b) To ensure the provision of services to communities in a sustainable manner
- c) To promote social and economic development
- d) To promote a safe and healthy environment
- e) To encourage the involvement of communities and community organisations in matters of local government.

Umzumbe Local Municipality has adopted tools and approaches to achieve the local government objectives and developmental local government. The White paper on local government puts forward three interrelated approaches to assist municipalities to become more developmental them being:

- Integrated Development Planning and Budgeting.
- Performance Management.
- Working together with local citizens and partners

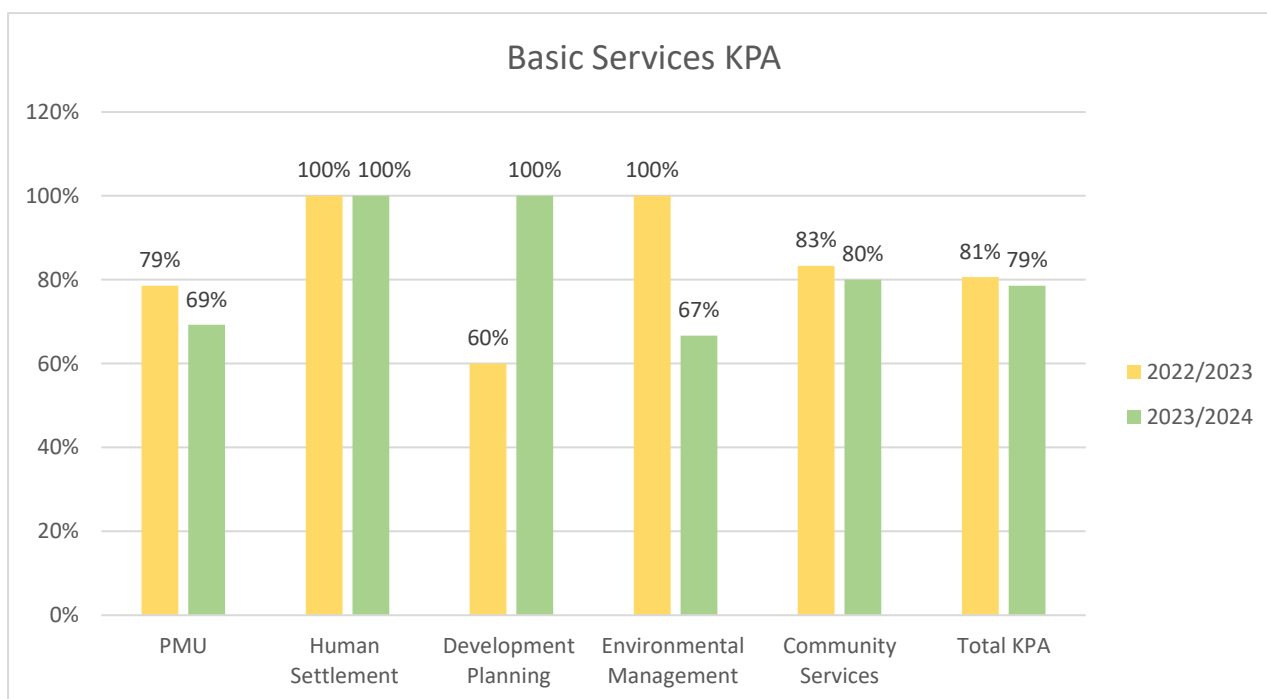
It is therefore with the utmost urgency and priority that the municipality ensure for efficient and effective provision of service to the community in a manner that is in line with the Constitution of the Republic of South Africa.

The Key Performance Area (KPA) focused on Basic Services and Infrastructure Development plays a pivotal role in ensuring that communities receive the essential services they require. This is accomplished through the efforts of the Technical, Development Planning, and Social Development & Community Services Departments. These departments work together to execute projects and programs based on the requests and needs identified during the public participation processes.

Through the collaborative efforts of the Technical Services, Office of the Municipal Manager and Social Development & Community Services Departments, projects and programs were implemented to address the needs and requests identified during public participation processes.

For the 2023/2024 financial year, a total of 28 projects were planned for implementation under the Basic Services KPA. Out of these, 22 targets were successfully achieved, while 06 targets were not met. This translates to an overall performance rate of 79%, reflecting a regression of 03% from the 2022/2023 financial year's performance.

Basic Services KPA							
Departments	Units	2022/2023			2023/2024		
		Number of Targets	Number of Targets Achieved	Target Achieved (%)	Number of Targets	Number of Targets Achieved	Target Achieved (%)
Technical Services	PMU	14	11	79%	13	9	69%
	Human Settlement	5	5	100%	5	5	100%
OMM	Development Planning	5	3	60%	2	2	100%
Social Development & Community Services	Environmental Management	1	1	100%	3	2	67%
	Community Services	6	5	83%	5	4	80%
	Total KPA	31	25	81%	28	22	79%



Performance Highlights for 2023/2024

The construction of Phungula Access Road is complete
 Construction of Frankland Hall has been 100% complete
 The installation of streetlights at Turton (53) and Phungashe (75) has been completed
 Indigent households have been supplied with access to electricity (gel stoves and electricity tokens)

Challenges

Budget constraints
 Disputes between constructor and consultants causing work stoppages

Measures Taken to improve Performance

The municipality has taken upon itself to source external funding where necessary
Municipal manager to intervene in cases where there are service provider disputes.

1.5 Financial Health Overview

The municipality had a net deficit of R14.3 million (R25.6 million surplus the previous year). The net assets position showed a decline to R671.4 million from the previous year figure of R685.8 million. Cash flows were steadily declining in the past two financial years as bank balances showed a negative sign and decreased from R99.6 million from the previous year to R44.2 million for the current year. Expenditure was monitored and evaluated against budget as required by the MFMA. In addition, all conditional grants were cash backed and were spent according to their stated conditions. Taking into consideration the above factors, the municipality remains a going concern.

Highlights:

Annual Financial Statements:

As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General.

The municipality received an adverse audit report. Accordingly, the municipality prepared a corrective action plan to address the audit queries. The audit report and corrective action plan was tabled to council and also shared with KZN COGTA and Provincial Treasury.

The Annual Financial Statements for the financial year 2023/2024 compiled in terms of Generally Recognized Accounting Practice (GRAP) and were submitted by the 31 August regulated deadline.

Monthly Financial Reports:

In terms of section 71 of the MFMA, the municipality must by no later than 10 working days after the end of each month submit to the mayor and the relevant treasury monthly budget statements.

The monthly financial reports were prepared timeously and submitted to the Executive Committee (Mayor), Finance Committee, Audit Committee as well as Treasury.

Mid-year adjustment budget and performance assessment:

In terms of section 72 of the MFMA, a mid-year performance assessment of the municipality

must be made by the 25 January each year. In addition, an adjustment budget must be passed before the end of February.

The preparation of the mid-year performance assessment and was compiled and adopted by the Council on the **26 January 2024**. It must be noted however that the adjustment budget could not be adopted until 28 June 2024, this was because of dysfunctional council structures.

Annual budget:

The annual budget for the 2024/2025 financial year was compiled and adopted on 28 June 2024, this was clearly outside the legislated guidelines. MSCOA processes and formats were utilised in compiling the annual budget. The MSCOA annual budgets were successfully uploaded onto the National Treasury portal. The annual budget was assessed as funded by the Provincial Treasury.

Accounting processes:

All monthly accounting processes were completed with accounts being closed (cut off) , prepared, reviewed and authorized.

Compliance to the Supply Chain Management (SCM) Policy:

The municipality is using Sage Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders.

Separate files were opened for each individual contract which contained details of the contractor, evaluation and adjudication reports, payments details etc. The annual procurement plan was also compiled.

SCM implementation reports were not submitted to the portfolio committees with deviations, irregular, fruitless and wasteful expenditure also not reported on.

The municipality has functioning bid committees i.e. Bid Specifications, Bid Evaluation & Bid adjudication. During the year, the compositions of bid committees were reviewed in accordance with the prescripts. The evaluation and adjudication of the tenders was done within the prescripts of SCM regulations.

Compilation of the Assets Register:

The municipality compiled the fixed assets register for the 2023/2024 financial year in accordance with GRAP 17. The asset register will also further be reviewed and forms part of

the processes towards the preparation of the annual financial statements.

Municipal Property Rates:

As of 1 July 2009, the municipality began charging for property rates in terms of the Municipal Property Rates Act. The valuation roll was compiled and the property rates billing system was integrated with the general ledger system. The rates tariffs have also been published in the gazette. There have been very low payments of government debt and there are still challenges about debt recovery due to the dynamics of the geographical area within Umzumbe. Continuous engagements with different government departments including Public Works will continue to try and recover what is due to the municipality.

MSCOA implementation:

The municipality has already started with MSCOA processes such as: training, system vendor engagement, awareness creation, project steering team formulation, project steering committee meetings, development of implementation plans, MSCOA conversions, preparation of the draft budgets in MSCOA format, MSCOA database creation and departmental meetings. The municipality has successfully prepared the 2024/2025 budget in the MSCOA format and had successfully uploaded it onto the National Treasury Local Government Portal. The municipality is in line with its MSCOA implementation plan and started transacting on the MSCOA system from 1 July 2017. The Municipality will continue to monitor and evaluate the MSCOA implementation and anticipates that there will be no challenges.

Challenges:

- Lack of adherence to cost containment regulations and policies.
- Budgeting to fund operational expenditure from accumulated surpluses.
- The requirements of GRAP 17 posed challenges such as componentizing of infrastructure assets which required specialized knowledge.
- The physical verification of the assets was also challenging due to assets being spread over the large geographical area of Umzumbe.
- The municipality faced challenges of debt recovery regarding non-payment of property rates, with government debt being the highest.
- Capacity constraints within the department also remains a challenge.

Recommendations:

- Utilization of a service provider to assist in the review of the assets register to ensure GRAP 17 compliance.

- Key positions will be fast tracked to ensure that there is sufficient and skilled human capacity.
- More training will take place to ensure that finance staff are kept up to date with latest financial trends including MSCOA related issues.
- More intervention from government departments and other stakeholders regarding payment of property rates and debt recovery through support obtained from COGTA and Treasury.
- Recovery of debt through use of legal interventions.
- Explore alternate avenues to increase storage capacity and space for staff to work and for filing of documents.
- Assistance from COGTA and Treasury regarding compliance matters.

Table Showing Operating Ratios

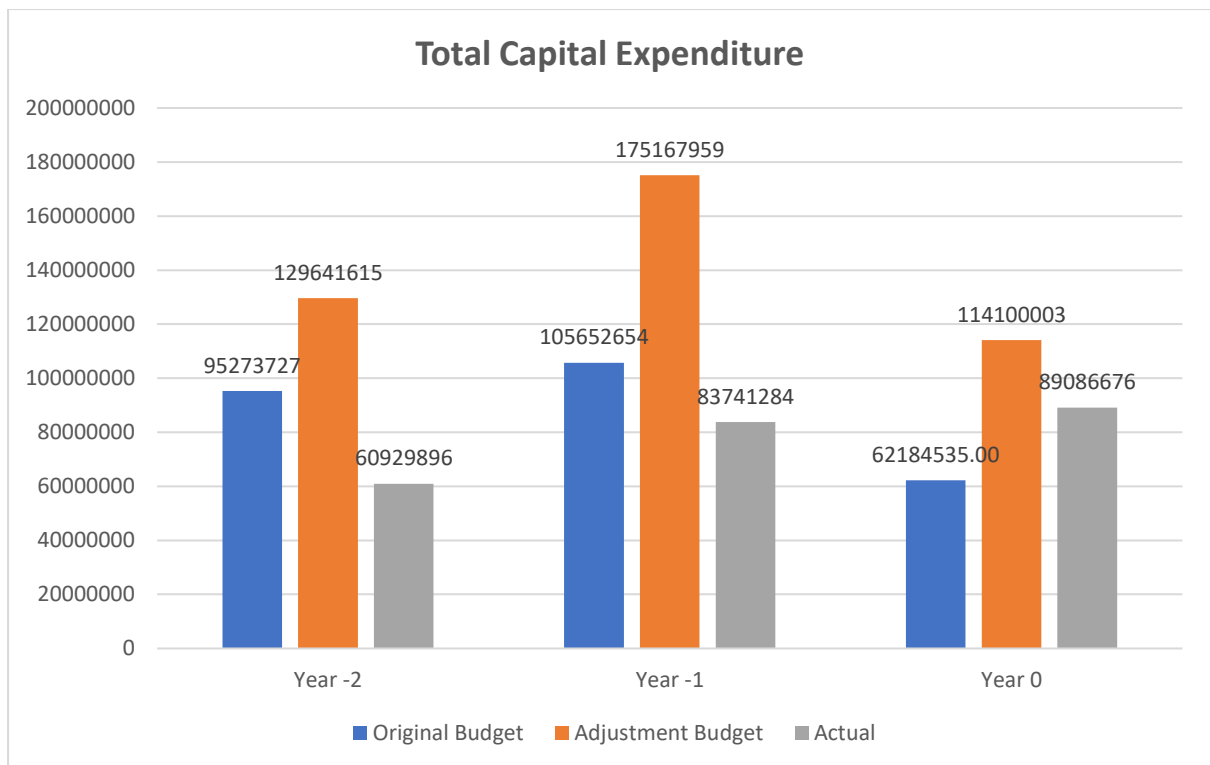
Operating Ratios	
Detail	%
Employee Cost to total cost	40.6%
Repairs & Maintenance to PPE	5.0%
Finance Charges & Impairment	0.14%

The table above reflects the operating ratios that are related to employee costs, repairs & maintenance to PPE and Finance Charges & Impairment.

Table Showing Budget allocation

Total Capital Expenditure: Year -2 to Year 0			
Detail	(2021/22)	(2022/23)	Year 2023/24
Original Budget	62 184 535	94 373 942	108 158 631
Adjustment Budget	114 100 003	100 422 001	103 370 319
Actual	89 086 676	82 300 333	72 422 686

The table above reflects the original budget allocation and the adjusted budget for 2023/2024 and the previous two financial years and the actual expenditure for these financial years.



The graph above reflects the original budget allocation and the adjusted budget for 2022/2023 and the previous two financial years and the actual expenditure for these financial years.

1.6 Supply Chain Management

The Municipality operates a Supply Chain Management (SCM) unit under the Finance Department. This unit is tasked with the responsibility of ensuring that the procurement of goods and services adheres to principles of transparency, competitiveness, fairness, equity, and cost-effectiveness, in strict accordance with the SCM policy. It's important to note that the municipality reviews its SCM policy on an annual basis to keep it up to date.

To address purchase requisitions from other departments within the municipality, the unit employs the use of the SAGE Evolution enterprise resource planning system. Their commitment is to respond promptly to authorized purchase requisitions whenever possible. For each individual contract, separate files are meticulously maintained, containing comprehensive information about the contractor, evaluation and adjudication reports, payment details, and more. Additionally, an annual procurement plan is compiled.

The municipality has established functional bid committees, including Bid Specifications, Bid Evaluation, and Bid Adjudication committees, ensuring that tender evaluations and adjudications are carried out in strict compliance with SCM regulations.

The municipality is actively pursuing a strategy to empower local businesses and cooperatives as part of our commitment to enhancing local economic development. Efforts are made to rotate suppliers wherever possible to provide equal opportunities. However, there are challenges, mainly because many of our local businesses lack well-established operations and may not be able to supply certain goods or services as needed.

1.7 Financial Services

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

The overall strategic plan is to ensure that there is transparency, accountability, and sound financial management. Forming part of this plan are key performance areas such as: ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously, annual financial statements are prepared in accordance with GRAP and submitted on time, effective and efficient utilization of financial resources, compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions; disposals; impairments on the assets register.

Formed with a purpose to manage this strategic and operational component of municipal finance, the Financial Services Department is headed by the Chief Financial Officer and comprises the following sections:

- Expenditure & Assets
- Budget, Revenue & Treasury
- Supply Chain Management

Functions of the Financial Services Department:

- *Expenditure & Assets* – The Manager: Income and Expenditure is responsible for salaries administration, creditor's management, VAT compliance, government grants administration, maintenance of assets and investments.
- *Budget, Revenue & Treasury* – The Manager: Budget and Treasury is responsible for ensuring that budgets are prepared, budgets are effectively utilised, reporting to National treasury and other spheres of government and financial forecasting and revenue management.
- *Supply Chain Management* – The Manager: Supply Chain Management is responsible for the implementation of the Supply Chain Management policy and ensuring that the goods and services are procured in manner which are transparent, competitive, equitable, cost effective and fair

Table indicating total number of employees within the Finance department during the 2022/23 financial year

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	3	1	2	33%
4 – 6	12	12	12	0	0%
7 – 9	1	1	0	1	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	16	14	2	12.5%

2 Chapter 5: Financial Performance

Component A: Statement of Financial Performance

2.1 Statement of Financial Performance (Refer to AFS)

2.2 Grants

Grants have been received in terms of DORA as well as Provincial allocations.

GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024					
REGISTER AS AT 30 JUNE 2024					
GRANT NAME	BALANCE UNSPENT BEGINNING OF PERIOD 30 JUNE 2024	RECEIPTS THIS MONTH	CORRECTIONS	EXPENDITURE THIS MONTH	BALANCE UNSPENT END OF PERIOD 30 JUNE 2024
Financial management grant	0.00	-			0.00
Municipal infrastructure grant	0.00		2 289 181.38		2 289 181.38
Expanded Public Work Grant	-			-	-
Disaster Management Grant	119 100.94	-		-	119 100.94
Disaster Recovery Grant	1 072 366.15			1 012 380.66	59 985.49
National Electrification Grant	2 030 224.97		2 691 310.93	2 158 446.58	2 563 089.32
Massification	2 383 423.17	-		-	2 383 423.17
KZN Sports	50 000.00				50 000.00
Fire Fighting Grant	374 778.32				374 778.32
Municipal Employment Initiative	1 000 000.00			1 000 000.00	-
	7 029 893.55	-	4 980 492.31	4 170 827.24	7 839 558.62

In addition, Equitable Share of R162.9 million was received during the year.

2.3 Asset Management

Introduction to Asset Management

Asset management forms an integral part in the municipality's ability to render service delivery. Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which incorporates elements of GRAP requirements. The municipality compiled the fixed assets register for the 2023/24 financial year in accordance with GRAP. This formed part of the process of the annual financial statement's preparation.

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	R 10 678 261	R10 678 261	R10 195 000	95,6%

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 mainly from government grants which is MIG and Equitable share.

2.4 Sources of Finance

UMZUMBE MUNICIPALITY									
2022/2023 ADJUSTED BUDGET									
Revenue Budget by Source									
Revenue by source	2022/2023 ADJUSTED BUDGET			2023/2024 FINAL BUDGET			2024/2025 FINAL BUDGET		
	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET
Government grants and subsidies	221 506 879.00		221 506 879.00	228 356 000.00		228 356 000.00	225 223 000.00		225 223 000.00
Interest from investments	11 000 000.00	-	11 000 000.00	7 950 000.00		7 950 000.00	8 500 000.00		8 500 000.00
Tender Sales	135 652.17	20 347.83	156 000.00	139 130.43	20 869.57	160 000.00	143 478.26	21 521.74	165 000.00
Hall Hire	86 956.52	13 043.48	100 000.00	47 826.09	7 173.91	55 000.00	52 173.91	7 826.09	60 000.00
Property Rates Income	8 244 363.75	-	8 244 363.75	8 244 363.75		8 244 363.75	8 244 363.75		8 244 363.75
Internally generated funds(Accumulated Surplus)	174 240 900.89	-	174 240 900.89	68 109 759.72		60 538 158.52	71 639 397.22		61 798 110.08
Waste Collection	-0.00	-	-0.00	22 659.34	3 398.90	26 058.24	23 679.01	3 551.85	27 230.86
Insurance Refunds	173 913.04	26 086.96	200 000.00	186 956.52	28 043.48	215 000.00	200 000.00	30 000.00	230 000.00
Commission fees(Agency fees)	39 130.43	5 869.57	45 000.00	43 478.26	6 521.74	50 000.00	47 826.09	7 173.91	55 000.00
Building plans & Licensing/Permits	5 426.09	813.91	6 240.00	5 664.83	849.73	6 514.56	5 919.75	887.96	6 807.72
Market Stalls revenue	-	-	-	22 659.34	3 398.90	26 058.24	23 679.01	3 551.85	27 230.86
Proceeds from Auctions	271 304.35	40 695.65	312 000.00	283 241.74	42 486.26	325 728.00	295 987.62	44 398.14	340 385.76
Marathon Proceeds	15 600.00	-	15 600.00	16 286.40		16 286.40	17 019.29		17 019.29
Other Revenue(For Lollipops & Other)	190 800.00	-	190 800.00	199 195.20		199 195.20	208 158.98		208 158.98
Testing Licensing(Tickets & Licensing)	-	-	-	11 066.40		11 066.40	11 564.39		11 564.39
TOTAL INCOME BUDGET	415 910 926.24	106 857.39	416 017 783.63	313 638 288.03	112 742.48	306 179 429.31	314 636 247.28	118 911.55	304 913 871.68
OPEX	282 424 984.55	18 107 492.60	300 532 477.15	232 437 410.04	9 788 019.27	242 225 429.31	244 529 836.15	10 608 485.54	255 138 321.69
CAPEX	100 422 005.63	15 063 300.85	115 485 306.48	55 612 173.91	8 331 391.30	63 954 000.00	43 283 086.95	6 492 463.04	49 775 550.00
TOTAL BUDGET	382 846 990.19	33 170 793.45	416 017 783.63	288 049 583.95	18 119 410.57	306 179 429.31	287 812 923.10	17 100 948.58	304 913 871.68
Surplus/(Deficit)	33 063 936.05	-33 063 936.05	-	25 588 704.07	-18 006 668.09	-	26 823 324.17	-16 982 037.03	-

UMZUMBE MUNICIPALITY			
2022/2023 ADJUSTED BUDGET			
Government Grants Allocations			
GOVERNMENT GRANTS AND SUBSIDIES-ALLOCATION	FINAL BUDGET 2022/2023	FINAL BUDGET 2023/2024	DRAFT BUDGET 2024/2025
National Grants Allocations			
Equitable share	154 862 000.00	162 624 000.00	171 055 000.00
Municipal Systems Infrastructure Grant (MSIG)	-	-	-
Local Government Financial Management Grant (FMG)	1 850 000.00	1 850 000.00	1 850 000.00
Municipal Infrastructure Grant (MIG)	38 552 000.00	40 160 000.00	41 869 000.00
Disaster Management Grant	-	-	-
Municipal Disaster Recovery Grant	9 000 000.00	15 722 000.00	-
Intergrated national Electrification Programme	15 000 000.00	8 000 000.00	10 449 000.00
Massification Grant	-	-	-
Municipal Systems Infrastructure Grant (MSIG)	-	-	-
Extended Public Works Programme	1 699 000.00	-	-
Sub Total - National Grant Allocations	220 963 000.00	228 356 000.00	225 223 000.00
Provincial Grants Allocations			
Disaster Relief Grant	-	-	-
KZN Sports Grant	50 000.00	-	-
Ward Based Grant	-	-	-
District Municipality - UGU	-	-	-
Fire Fighting Grant	374 778.00	-	-
Disaster Management Grant	119 101.00	-	-
Sub Total - Grants Allocations	543 879.00	-	-
TOTAL GRANT ALLOCATIONS	221 506 879.00	228 356 000.00	225 223 000.00

2.5 Capital Spending on 5 Largest Projects

Table below indicating Capital Spending on 5 Largest Projects

Capital Spending on 5 Largest Projects	
Project Name	Budget
1. Frankland Hall	R 15 939 872,96
2. Fokseni Access Road	R14 391 045,87
3. LIC road construction	R12 237 188,47
4. Mbonje Phase 3	R12 000 000,00
5. Joyisa Access Road	R7 114 807,06

2.6 Basic Service and Infrastructure Backlogs Overview

Component C: Cash Flow Management and Investments

Cash flow management is key to the sustainability of the municipality and its ability to provide services to the communities.

2.7 Cash Flow Statement

The municipality's cash flow is monitored regularly and indicates a favourable liquidity position as at year end. As at the 30 June 2024, the municipality had cash and cash equivalents of R46.2 million.

2.8 Public Private Partnership

No public private partnerships were entered into during the year.

Component D: Other financial Matters

2.9 Supply Chain Management

The municipality is using SAGE Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders. Separate files were opened for each tender which contained details of the contractor, evaluation and adjudication reports, payments details etc. The municipality has functioning bid committees i.e. Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

2.10 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. As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General. The Annual Financial Statements for the financial year 2023/2024 were compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to the Auditor General.

3 Chapter 6 – Auditor General Audit Findings Introduction

Component A: Auditor – General Opinion of Financial Statements Year-1

3.1 Auditor General Report Year 2022/2023 (Previous Year) (Annexure A)

The municipality received an unqualified audit with matters of emphasis for the previous

financial year. The report was tabled to council together with corrective measures to address the audit findings.

Component B: Auditor General Opinion Year 0 (Current Year)
3.2 Auditor General Report Year 2023/2024 (Current Year of
Reporting) (Annexure B)

3.2.1 Umzumbe Corrective Action Plan 2023/2024 Financial Year (Annexure C)

Appendix F - Revenue Collection Performance by Source

Refer to the Annual Financial Statements

Appendix G – Conditional Grants Received Including MIG

Refer to the Annual Financial Statement

Appendix H – Revenue Collection Performance by Vote and by Source
Refer to the Annual Financial Statement

Appendix I Conditional Grants Received: Excluding MIG
Refer to the Annual Financial Statement

Appendix K: Capital Expenditure – New & Upgrade/ Renewal Programmes
Refer to the Annual Financial Statement

4 Chapter 2 Governance

Component A

4.1 Political and Administrative Governance

Introduction to Political and Administrative Governance

Umzumbe Municipality Political governance is led by the Mayor who is the head of the political side, chairing the Executive committee as well as the Finance portfolio committee. The Deputy Mayor serves as a portfolio chair for the Human Settlement and Infrastructure Committee.

The Speaker of the council chairs the council meetings of the municipality and heads all Council related matters. The council has an executive committee made up of Seven (7) full time councillors. In dealing with oversight role, the council has established a section 79 committee Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members. There are Five (5) portfolio committees and Section 80 Committees in place within the municipality:

- Human Settlement, Planning and Infrastructure Portfolio Committee
- Finance and LED Portfolio Committee
- Social, Community Services and Special Programmes Portfolio Committee
- Youth Development Portfolio Committee
- Governance and Corporate Services Portfolio Committee.

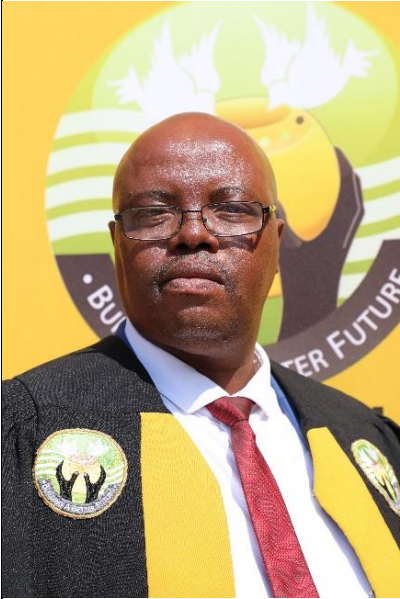
In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established. The Audit Committee comprises of the following members:

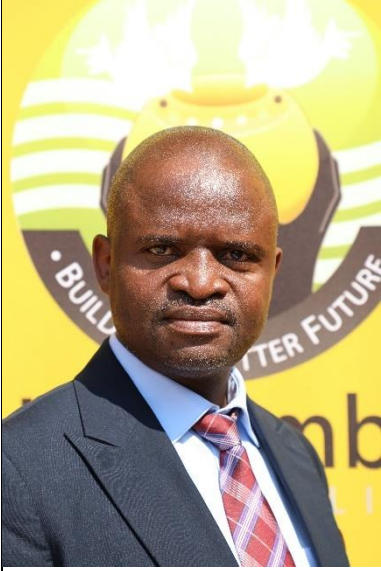
No.	Name and Surname	Qualification	Appointment date & End date
4.	Mr. Ashley Gonzalves	• Master's Degree in Commerce (Taxation) • Honours Degree in Commerce Accounting • Bachelor's Degree in Accounting • Professional Accountant • Certified Internal Audit (Financial Expert & CIA)	01 /03/2021 to 28/02/2026
2.	Mr. Zweli Zulu	• Master's in Business Administration • Post Graduate Diploma in Business Management • Bachelor's degree in business technology • Diploma in labour Economics (Financial Expert & CIA)	01/03/2022 to 28/02/2024 (Expired)
3.	Ms. Sphumelele Dlungwane	• B-Comm (CA) (Financial Expert & CIA)	01/10/2022 to 28/02/2026
4.	Mr. Temba Zakuza	• B-Comm (CA) (Financial Expert & CIA)	01/10/2022 to 30/09/2024
5.	Mr Paul Preston	• BA LLB (Legal Expert)	01 /03/ 2024 to 28 /02/ 2026
6.	Ms Samkeliswe Xavier Khanyile	Performance Expert	01 /03/ 2024 to 28 /02/ 2026

Political Governance

Members	Designation	Responsibilities
	POLITICAL STRUCTURE MAYOR Cllr B.G Nyuswa Chairperson of Council and Executive Committee.	Function In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.
	Chairperson of the Finance & LED Portfolio Committee.	S56(2): The executive mayor must: a) Identify the needs of the municipality, b) Review and evaluate those needs in order of priority, c) Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and d) Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Members	Designation	Responsibilities
		MFMA S54: e) Must provide general political guidance over the fiscal and financial affairs of the municipality; f) In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act, the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; g) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget; h) Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and i) Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

Members	Designation	Responsibilities
	DEPUTY MAYOR Cllr M. Z. Luthuli Member of EXCO and chairperson Human Settlements, Planning and Infrastructure Portfolio Committee.	The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).
	SPEAKER Cllr S. M. Maphumulo	In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council- Presides at meetings of the council. Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). Must ensure that the council meets at least quarterly Must maintain orders during meetings Must ensure compliance in the council and council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000; and Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.

Members	Designation	Responsibilities
	EXECUTIVE COMMITTEE Cllr L.R Jwara	Member of EXCO and chairperson of the Governance & Corporate Services Portfolio Committee.
	EXECUTIVE COMMITTEE MEMBER Cllr A.M Luthuli	Member of EXCO and a member of Social, Community Services and Special Programmes Portfolio Committee.
	EXECUTIVE COMMITTEE MEMBER Cllr S.R Cele	Member of EXCO and chairperson of Social, Community Services and Special Programmes Portfolio Committee.

Members	Designation	Responsibilities
	EXECUTIVE COMMITTEE MEMBER: Cllr B.B Luthuli	Member of EXCO and member of Human Settlements, Planning and Infrastructure Portfolio Committee.

Council

The Municipal council comprises of 39 Councillors, 11 being females and 28 are males for the year ended. The municipality has a total number of 20 wards. Twenty (20) of them are ward Councillors and Nineteen (19) are Proportional Representatives. Out of 39 Councillors, twenty-one (21) belong to the ANC, fourteen (14) IFP, two (2) EFF, one (1) APEMO and one (1) ATM.

Political Decision Making

Political recommendations are taken at caucus level for each represented political party. This is done when the scheduled meetings of the Council meeting are to be convened. Each represented political party caucus before the commencement of the Council meeting be it special or ordinary meeting. After the council meeting a resolution register is compiled and the accounting officer oversees the implementation of the council resolution for reporting in the next council meeting of the Council. It is important to indicate that all the council resolutions have been implemented.

Traditional Leaders

In compliance with section 81 of the Municipal Structures Act (Act No. 117 of 1998), the municipal council has included 2 out of 18 traditional leaders to sit in the Municipal Council. The table below indicate portfolios assigned to each traditional leader.

NAME	COMMITTEE	TRADITIONAL AUTHORITY
Inkosi N.W Mbhele	Finance and LED Portfolio Committee	Mabheleni Traditional Authority

Inkosi Z.R Qwabe	Planning, Human Settlements and Infrastructure Portfolio Committee	Qwabe P Traditional Authority
Inkosi N.W Mbhele	Social, Community Services and Special Programmes Portfolio Committee	Mabheleni Traditional Authority
Inkosi Z.R Qwabe	Governance and Corporate Services Portfolio Committee	Qwabe P Traditional Authority

4.2 Administrative Governance

Administrative leg of the Council is led by the Accounting Officer and the managers reporting directly to him (section 56) with all the positions being filled at this level of management. Each manager is responsible for the department as asserted below in the report. The second level of management is managers that report to the section 56 managers. This forms the Top MANCO of the municipality.

	ACTING MUNICIPAL MANAGER Mrs. A.N Dlamini	Function The office of the Municipal Manager is responsible for the following services: Development Planning and Local Economic Development, Communications & Mayoralty, Youth Development, Special Programmes, Internal Audit and Legal Services. Development Planning – functions are to drive the strategic planning of the municipality, spatial planning, Building Control and Land Use Management, Geographic Information Systems and Performance Management System. Local Economic Development- responsible for ensuring economic growth within the LM through the assistance of Crafters, SMME's and Coops. It is further required to ensure for the implementation of the Local Economic Development Strategy in alignment with the Municipal, provisional and national goals. Communications, Mayoralty, Youth Development and Special Programmes – main functions of the department are to plan, develop and implement strategies and projects in order to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's Office and advance the interest of special groups and young people within Umzumbe.
--	--	--

		▪ Internal Audit: developing a flexible annual audit schedule and long-term audit plan using an appropriate risk-based methodology, in consultation with Management and for approval by the Audit Committee ▪ implementing approved annual audit schedule(s), including as appropriate any special tasks or projects requested by Management and approved by the Audit Committee; ▪ maintaining a professional audit staff with sufficient knowledge, skills and experience to meet requirements; and ▪ issuing periodic (quarterly) reports to the Audit Committee and Management summarizing the results of audit activities and the benefits derived; ▪ The Internal Audit function will comply with the International Standards for Professional Practice of Internal Auditing as set by the Institute of Internal Auditors'. ▪ Legal Services: To provide legal advisory services, employment law services, litigation services, prosecution services, legislative drafting services, legal compliance services and guide the municipality in performing its constitutional and statutory duties.
--	--	---

	CHIEF FINANCIAL OFFICER (ACTING): Mr N Duma	The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.
	DIRECTOR SOCIAL DEVELOPMENT & COMMUNITY SERVICES : Vacant	The Department comprises of three units namely, Community Services, Disaster Management and Waste Management Unit. The unit facilitate with the upliftment of communities through poverty alleviation programmes, maintained/accessible government facilities and support given to households involved in natural disasters. They department seeks to contribute to social cohesion through the maintenance of community facilities and provision of community services.
	DIRECTOR CORPORATE SERVICES: Ms DP Ngcobo	Corporate Services Department is composed of three sections. These are Human Resources, Administrative Support, Information and Communication Technology Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, by ensuring that human/ physical resources are in place to enable the municipality to meet its service delivery objectives.

	DIRECTOR TECHNICAL SERVICES: Vacant	This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, Human Settlements Unit and Project Management Unit.
--	--	--

2.3. By-laws

Section 11(3) (m) of the Municipal Systems Act No 32 of 2000, gives municipality's the right to pass by-laws in their area of jurisdiction. The SPLUMA bylaws were developed and Gazetted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality. There were no bylaws developed and adopted by council during the 2022/23 financial year.

Municipal Website

Section 75 of the Municipal Finance Management Act (Act No. 56 of 2003) requires the Accounting Officer to place the following documents onto the website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	N/A	
All long-term borrowing contracts (Year 0)	N/A	
All supply chain management contracts above a prescribed value (give value) for Year 0	N/A	
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 Year 1	N/A	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	N/A	

Table indicating dedicated personnel responsible for electricity services in the 2023/24

financial year

Employees: Electricity Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

Table indicating Waste Management Employees during the 2023/24 financial year

Employees: Solid Waste Management Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	19	1	5.26%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	21	23	21	1	0%

Table indicating Human Settlements Unit employees during the 2023/24 financial year

Employees: Housing Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

Table indicating employee structure during the 2023/24 financial year

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	11	8	3	27.27%
4 - 6	0	0	0	0	0%
7 - 9	1	0	0	0	0%
10 - 12	5	5	0	0	0%
13 - 15	1	1	0	0	0%
16 - 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	15	17	8	3	17.65%

Table Indicating Vacancy rate for Planning.

Employees: Planning Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	3	3	3	1	33.33%
13 – 15	0	1	0	1	100%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	4	3	2	50%

Table indicates the Local Economic Development Unit Employee structure for the 2023/24 financial year

Employees: Local Economic Development Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	2	66.66%
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	5	7	5	5	71%

Table indicating total number of employees under the cemeteries unit during the 2023/24 financial year.

Employees: Cemeteries and Crematoriums					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	20	1	5%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	23	22	1	4.34%

Table indicating employee composition within the Youth Development Unit

Employees: Sport and Recreation					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%

13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

Table indicating total number of employees within the Finance department during the 2023/24 financial year

Employees: Financial Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	1	0	1	100%
10 - 12	10	15	10	4	26.66%
13 - 15	1	3	1	2	66.66%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	19	11	7	36.84%

a. Human Resources Services

The Municipal workforce plays a pivotal role in ensuring that the municipality achieves its development goals and bettering service delivery to the community. The municipality therefore prides its self in employing and developing suitable candidates, while providing a safe working environment for its staff through effective implementation of the Human Resource Policy.

Employees: Human Resource Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	4	3	1	25%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	5	4	1	20%

Table Indicating the Vacancy Rate for the 2023/24 financial year

Vacancy Rate: Year -1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	1	0.00
Other S57 Managers (excluding Finance Posts)	3	1	33.33
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	6	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	15	4	6.66
Senior management: Levels 13-15 (Finance posts)	1	3	33.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	0	0	0.00
Highly skilled supervision: levels 9-12 (Finance posts)			0.00
Total	21	9	10.3

Table Indicating the Vacancy Rate for the 2023/24 financial year:

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	01	01	100%
CFO	01	01	100%
Other S57 Managers (excluding Finance Posts)	03	01	33.33%
Other S57 Managers (Finance posts)	N/A	N/A	00.0%
Police officers	N/A	N/A	00.0%
Fire fighters	06	0	50%
Senior management: Levels 13-15 (excluding Finance Posts)	15	4	00.0%
Senior management: Levels 13-15 (Finance posts)	03	02	00.0%
Highly skilled supervision: levels 9-12 (excluding	00	00	00.0%

Finance posts)			
Highly skilled supervision: levels 9-12 (Finance posts)	N/A	N/A	N/A
Total	23	09	35.29%

b. Information Communication Technology (ICT) Services

The Information and Communication Technology Unit provides Telecommunications and Information Technology (ICT) support to all the Departments and users within Umzumbe Local Municipality.

The ICT Unit has to ensure that the correct and accurate data is available and accessible by the authorised Departments and Users internally and externally all the time. This data must be secured against unauthorised users and viruses.

This Unit has to ensure that up-to-date Systems and infrastructure are used to enhance speedy service delivery.

1. It is crucial to keep software licensing UpToDate to have the systems running to enable the Service Delivery. Our software licensing is broken down as follows:
 - a. Microsoft Office 365 and Microsoft Windows.
 - b. Financial Systems including Sage Evolution, CaseWare and Payday (HR and Payroll).
 - c. ArcGIS
 - d. All other support software.
2. IT Upgrade - Infrastructure must be upgraded from time to time to keep it up and running all the time and be able to use the latest technology. We have extended telecommunications, network and internet connectivity to the remote Offices i.e., Ward 17 MPCC and Nkanini Indoor Sports Centre, while maintaining the existing ones. We are in the process of procuring new Servers with more capacity.
3. Internet connectivity is wheels that keep ICT running. We have to make sure it is available all the time. Our main Office is running at 50 MB upload and down and we are running a combination of fibre and air fibre. We also have a backup link that is 30 MB Upload and Download. This is to minimize the downtime if there is connectivity problem.
4. Software and Hardware – We have to ensure that the Users have devices that are in good condition with software that will enhance and maximize their performance. We have 2 x Domain Controllers; 3 x Physical Servers; 7 x Virtual Servers; 16 x POE Switches; 150 x Active Directory User Accounts; +/- 60 Printers; +/- 140 Desktops /

Laptops; 150 ESET Licenses. Our largest capital project is the procurement of Computer Equipment and software to support other Departments. Network has been upgraded in all the Offices; we are now on CAT6. There are no foreseen variations.

5. Community Wi-Fi – We are in the process of rolling out the Community Wi-Fi which we install in the Community Halls.

Table Indicating total employees within the IT Unit during the 2023/24 financial year.

Employees: ICT Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

ICT is trying its best under circumstances, for instance our Municipality is rural and there is no optical fibre for internet connectivity which results in slow network. Eskom's Load shedding poses problems on our operations as our connectivity gets affected. Budget cuts result in Users having to use laptops and desktops that have gone beyond their end-of-life period.

Component K: Organizational Performance Scorecard (Annexure A)

f) Chapter 4: Organisational Development Performance

Component A: Introduction to the Municipal Personnel

a. Employees Totals, Turnover and Vacancies

Table Indicating Total number of employees during the 2023/24 financial year

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	80	36%	58	58	1.00
Highly skilled production (levels 6-8)	0	0	0	0	0
Highly skilled supervision (levels 9-12)	22	12%	2	3	0.28
Senior management (Levels 13-15)	90	15%	15	15	1.13
MM and S57	0	12%	0	4	0.19
Total	207	13%	79	80	2.59

Table Indicating number of employees whose salary exceeds the grade determined in the 2023/24 financial year

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

Table Indicating number of employees who's appointed to post not approved determined in the 2023/24 financial year

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
0	0	0	0	0

Component B: Managing the Municipal Workforce

b. Policies

The Corporate Services Department is responsible for the well-being of the municipal staff, through the drafting and review of the Human Resource Policy and associated policies. The municipality had the following policies adopted and reviewed during the 2022/23 financial year. The Municipality has established the Municipal Policy Development Committee, tasked with reviewing and developing municipal policies in line with the prescribed National, Provincial and local legislations and programmes.

The members of the Policy Review Committee are as follows

- Ms M Cele (Chairperson)
- Mr S Ncwane
- Mr S Nxele
- Mr V Sibiyi
- Ms N Ntanzu
- Mr. P Mhlomo
- Ms P Cele (Scriber)

Below is the list of policies that were adopted by Municipal Council on the 23rd of June 2023:

- Registration Fees Assistance Policy
- Business Continuity Policy
- Subsistence and Travel Policy
- Asset Disposal Policy
- Cellular Allowance and Telephone Policy
- Study, Training, Workshop and Conference Policy
- Social Media Policy
- Consequence Management
- Policy Development and Review Policy

List of 2023/2024 Adopted Policies		
Policy	Achieved/ Not Achieved	Responsible Department
Review and adopt Records Management Policy	Not Achieved	Finance Department
Review and adopt Skills Retention Policy	Not Achieved	Corporate Services
Review and adopt OHS Policy	Not Achieved	Corporate Services
Review PMS Policy	Not Achieved	Corporate Services
Review Pandemic Policy	Not Achieved	Corporate Services
Development and adoption of Social Media Policy	Not Achieved	Corporate Services
Development and adoption of the Consequence Management Policy	Not Achieved	Corporate Services
Development and adoption of the Business Continuity Policy	Not Achieved	Corporate Services
Adopt Final PMS Policy	Target Achieved	Development Planning
Review and adopt SCM Policy	Target Achieved	Supply Chain Management
S&T Policy	Target Achieved	Corporate Services
Cellular Phone allowance and Telephone Policy	Target Achieved	Corporate Services
Study, Training, Workshop and Conference Policy	Target Achieved	Corporate Services
Asset Disposal Policy	Target Achieved	Corporate Services
Registration Fees Assistance Policy	Target Achieved	Corporate Services

c. Injuries, Sickness and Suspensions

Table Indicating number of sick leave taken in the 2023/24 financial year

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	80	12%	46	46	05
Skilled (Levels 3-5)	80	09%	16	16	10
Highly skilled production (levels 6-8)	80	09%	52	52	07
Highly skilled supervision (levels 9-12)	80	02%	02	02	05
Senior management (Levels 13-15)	80	00%	01	01	00
MM and S57	80	00%	01	01	00
Total	480	32%	118	118	27

d. Performance Rewards

Table Indicating number of Performance Rewards in the 2023/24 financial year:

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
	Male				
MM and S57		4	3	316	75%
Total		4	3	316	75%

e. Skills Development and Training

The Municipality conducted the following staff and councillor trainings and courses in line with the Workplace Skills plan and Municipal Vision as indicated in the Municipal Integrated Development Plan.

Employees Trained as per Umzumbe Workplace Skills Plan in 2023/2024

YEAR	NAME OF EMPLOYEE	DESIGNATION	COURSE	INSTITUTION
2023	Nontokozi Ndlovu	Procurement Officer	BCompt Honors in Management Accounting	UNISA
2023	Nobuhle Mbiko	General Worker waste	National Diploma in Safety Management	UNISA
2023	Nosihle Vundla	OHS Officer	Postgrad in Public health	University of Pretoria
2023	Akhona Ndelu	Communications Officer	Postgrad in Project management	MANCOSA
2023	Naledi Mkhungo	General Worker waste	Bachelor of Arts in Government Admin and Development	UNISA
2023	Mthembeni Sithole	Asset Control Officer	BCOMPT Finance Management	UNISA
	Nomcebo Nzimande	Accountant Expenditure and Assets	BCOMPT Taxation	UNISA
2023	Zenzele Nyathi	Admin Manager	Bachelor of Arts in Government Admin and Development	UNISA
2023	Thembelihle Mthombeni	Committee Officer	Postgraduate diploma in Project Management	UNISA
2023	Xolani Cele	Public Participation	Bachelor of Public Admin	MANCOSA
2023	Hlengiwe Mbhele	Committee Officer	Postgraduate Diploma in Business Management	MANCOSA
2023	Lunga Msomi	CDO Officer	Diploma in Public Management	University of Pretoria
2023	Nomagugu Mthembu	Sub accountant Payments	Postgraduate diploma in accounting science	UNISA
2023	Zanele Mtshali	Sub accountant Payments	BCOMPT Financial Accounting	UNISA
2023	Sbusiso Ndwane	IT Support Helpdesk	Bachelor of Commerce in IT	MANCOSA

2023	Phila Khuzwayo	Caretaker	National Diploma in Community Extension	UNISA
2023	Vusumuzi Sibiya	LED Manager	Postgraduate diploma in Public Management	North-West University
2023	Nompumelelo Dlamini	IT Officer	Post graduate diploma in Accounting Science	MANCOSA

Trainings

Date	Course	Number of employees	Names of employees
23 – 24 March 2023	Internal Auditing training	02	• Nothile MKhathini • Mthembeni Sthole
04 – 05 April 2023	Risk Indaba workshop	02	• Nothile MKhathini • Mthembeni Sthole
24 to 26 April 2023	LG Asset Management	03	• Sanele Ngcobo • Mthembeni Sithole
08 to 12 May 2023	Basic Registry, Records, and Archives Management Course	06	• Pinky Mthembu • Zanele Mthembu • Tholakele Ntshangase • Thembelihle Mthombeni • Hlengiwe Mbhele • Judy Ncube
08 to 12 May 2023	Law Enforcement by Peace Officer Training	04	• Vusumuzi Sibiya • Sfiso Nxele • Lunga Radebe • Msizi Gebashe
19 to 23 June 2023	Advanced Excel	11	• Andile Dweku • Nonkosi Mgwatyu • Makabongwe Cele • Monwabisi Meth • Simphiwe Cele • Nontokozo Ndlovu • Nomcebo Nzimande • Phakamsile Mncibi • Noel Cele • Njabulo Jwara • Mlungisi Ncama

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

0

MZUMBE LOCAL MUNICIPALITY
ATTENDANCE REGISTER FOR COUNCIL MEETINGS
ANC CLLRS ATTENDANCE
FROM JULY 2022 TO JUNE
2023

A :
Apology

TO MAY

R: Resigned
E: Expelled

D:Deceased

AWA: Absent without Apology

JULY. 2023 TO JUNE 2024

2024

COUNCILLORS	2023/07/26	2024/01/24	2024/01/31	2024/05/24	NO. OF MEETINGS	TOTAL ATTENDED	NON ATTENDANCE
SM Maphumulo	P	P	P	E: Expelled	4	3	1
B.G Nyuswa	P	P	P	P	4	4	0
M.Z Luthuli	P	P	P	AWA	9	8	1
S.R Cele	P	P	P	P	4	4	0
A.M Luthuli	P	P	P	P	4	4	0
B.B Luthuli	P	P	P	P	4	4	0
M Ndlovu	P	P	P	P	4	4	0
R.L Mjwara	P	P	P	P	4	4	0
T.D Mkhungo	P	P	P	R: Resigned	4	3	1
S.E Radebe	P	P	P	R: Resigned	4	3	1
BJ Ngema	P	P	P	R: Resigned	4	3	1
M.J Msomi	P	P	AWA	P	4	3	1
S.C Ngcobo	P	AWA	P	P	4	3	1
S.C Radebe	P	P	A	P	4	3	1
J.P Mtambo	P	P	P	P	4	4	0
L.S Cele	P	P	P	P	4	4	0
PA Duma	P	A	AWA	R: Resigned	4	1	3
B.W Tryon	P	P	P	P	4	4	0
S.C Mtolo	P	P	P	P	4	4	0
G Doncabe	P	P	P	P	4	4	0
S.G Nzimande	P	P	P	P	4	4	0
J.P Gumede	P	P	AWA	A	4	2	2
B.A Mngoma	P	P	P	P	4	4	0
S.P Mthethwa	P	P	P	P	4	4	0
M. L Chili	P	P	P	P	4	4	0
T.T. Jeza	P	P	P	R: Resigned	4	3	1
S Dlamini	P	P	P	AWA	4	3	1
N.Y Mweshe	P	P	P	P	4	4	0
M.P.L Zungu	P	P	P	P	4	4	0
B.N Shozi	P	P	P	P	4	4	0

R.S.W Khanyile	P	P	P	P	4	4	0
M.M Mbatha	P	P	P	P	4	4	0
D.H Cele	P	P	P	P	4	4	0
JD Shabane	P	P	P	P	4	4	0
T.E Ndebele	P	P	P	P	4	4	0
N.P Biyase	P	P	AWA	P	4	3	1
J.P Kuzwayo	P	P	AWA	P	4	3	1
Z.Z Cele	P	P	P	P	4	4	0
M Ngcobo	P	AWA	P	P	4	3	1

0

MZUMBE LOCAL MUNICIPALITY

A : Apology

R: Resigned

D:Deceased

ATTENDANCE REGISTER FOR COUNCIL MEETINGS

CLLRS ATTENDANCE FROM JULY 2022 TO JUNE 2023

Jun-24

COUNCILLORS	2024/06/26	2024/06/28	NO. OF MEETINGS	TOTAL ATTENDED	NON ATTENDANCE
B.G Nyuswa	P	P	2	2	0
M.Z Luthuli	AWA	AWA	2	0	2
S.R Cele	P	P	2	2	0
A.M Luthuli	P	P	2	2	0
R.L Mjwara	P	P	2	2	0
M Ndlovu	P	P	2	2	0
B.B Luthuli	P	P	2	2	0
D.K Msomi	P	P	2	2	0
P Qwabe	P	P	2	2	0
T.F Ngwazi	P	P	2	2	0
M.J Msomi	P	P	2	2	0
S.C Ngcobo	P	P	2	2	0
S.C Radebe	P	P	2	2	0
J.P Mtambo	P	P	2	2	0
L.S Cele	P	A	2	2	0
S Zuke	P	P	2	2	0
B.W Tryon	P	P	2	2	0
S.M Maphumulo	P	P	2	2	0

S.C Mtolo	P	P	2	2	0
G Doncabe	P	P	2	2	0
S.G Nzimande	P	P	2	2	0
J.P Gumede	P	A	2	1	1
B.A Mngoma	P	P	2	2	0
S.P Mthethwa	P	A	2	1	1
M.L Chili	P	P	2	2	0
S.M Zuma	P	P	2	2	0
S Dlamini	AWA	AWA	2	0	2
N.Y Mweshe	P	P	2	2	0
M.P.L Zungu	P	P	2	2	0
R.S.W Khanyile	P	P	2	2	0
B.N Shoji	P	P	2	2	0
M.M Mbatha	P	P	2	2	0
H.D Cele	P	P	2	2	0
J.D Shabane	P	P	2	2	0
T.E Ndebele	P	P	2	2	0
N.P Biyase	P	P	2	2	0
J.P Kuzwayo	P	P	2	2	0
Z.Z Cele	P	P	2	2	0
M Ngcobo	P	P	2	2	0

Appendix B – Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Mrs. A.N. Dlamini (Acting)
Financial Services	Mr. N Duma (Acting)
Corporate Services	Ms. P.D. Ngcobo
Technical Services	Vacant
Social Development and Community Services	Vacant

Component B: Intergovernmental Relations

Introduction to Co-operative Governance and Intergovernmental Relations

In aligning our municipality with the transcripts that governs Co-operative Governance and Intergovernmental Relation there are structures that had been established that involves different relevant stakeholder of each respective structure or forum.

4.3 Intergovernmental Relations

Provincial Intergovernmental Structure

MUNIMEC is the structure where mayors meet with the Premier and the MEC'S of the province in discussing issues that affects the municipalities. Parastatals like Eskom sometimes attend these meetings where the issues of backlogs and plans by them are discussed. Provincial Disaster Forum serves as a basis in dealing with disaster issues within the province wherein the district municipalities and their local municipalities are also represented. The department of Provincial Treasury on request assisted the municipality on SCM matters; the understanding of the section 71 report for Cllr's and managers was done through the workshop. The Planning Unit represents the Municipality in the Provincial Spatial Planning and Land Use Management Act (Act No. 16 of 2013) SPLUMA Forums held Quarterly by the Department of Cooperative Governance and Traditional Affairs in collaboration with the Department of Rural Development. IDP Indaba's are hosted by the Department of Cooperative Governance and Traditional Affairs with all local municipalities required to attend.

District Intergovernmental Structures

As a family of UGU District Municipality IGR Structures are in existence through District Mayor's Forum and Municipal Manager's Forum that are functional, with regard to other IGR structures they have been established and ready to operate and will be chaired by the MM's from the respective Municipality's. The Chief Financial Officer is the delegate representing the Municipality in the CFO's Forums with Manager: Development Planning representing the municipality in the District Planners Forum, District Technical Advisory Committee on Performance Management Systems as well as the IDP Forum. The District Development Model Structures have been established to ensure implementation of the DDM. Also, the municipality is part of the Eastern Seaboard Development (African Smart Coastal City) which encompasses of 6 Workstream Project Teams, which are align with the DDM, as follows:

- **Workstream 1:** Planning and Infrastructure
- **Workstream 2:** Integrated Transport and Social Services
- **Workstream 3:** Land Use, Agriculture, Ocean and Environment
- **Workstream 4:** Trade, Industrialisation, Finance and Investment
- **Workstream 5:** Monitor, Evaluate and Stakeholder
- **Workstream 6:** Skills Development and Poverty Eradication

Component C: Public Accountability and Participation

Overview of Public Accountability and Participation

As clearly asserted in the sections of the MSA section 17(2), Umzumbe Municipality has a clear Public Participation Strategy as well as Communication Strategy and both these strategies seek to promote a culture of accountability together with a people-centred approach of development. As a process of public participation IDP & Budget Road Shows were conducted in the 3rd. quarter of the financial cycle. These initiatives gave communities a platform to raise their needs as well as their suggestions to the municipality. Mayoral Izimbizos were the vehicle in communicating the progress on what has been promised by the council during its budget road shows. The ward committee functionality gave the municipality to advance and process community needs.

4.4 Public Meetings

Communication, Participation and Forums

As the municipality at the beginning of each financial year a clear process plan on IDP and Budget issues were tabled. During the review of the IDP, a draft IDP was taken to public for comments and placed in strategic areas within the municipality area of jurisdiction, for members of community to comment and make meaningful contributions. The IDP was placed at the following community facilities: Morrison Post, Mehlomnyama Police Station (ward 5), Assisi Clinic (ward 5), Ntimbankulu Clinic (ward 1), Phungashe Information Centre (Ward 4), Bhanoyi Community Hall (ward 6), Umzumbe Municipal Offices (ward 10), Mgai Clinic and Social Welfare (ward 8) , Kwa Smith (ward 15), ward 19 Government Offices, Junction ward 2, Joyisi (ward 6), Mngomeni High (ward 7), Bambumoya (Ward 3) and Mtwalume Clinic (Ward 09).

Monthly ward committee meetings were held to discuss developmental issues and chaired by the ward councillor of each ward. Quarterly report back public meetings were held on all 20 municipal wards as another mechanism to strengthen public participation.

Disability community interests found expression in the municipality's IDP in the sense that the municipality had championed the rolling out of Special Programmes which cater, among others, Disability Programme.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 1 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 2 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 3 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 4 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 5 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 6 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 7 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 8 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 9 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 10 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 11 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 12 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 13 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 14 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 15 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 16 Public meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 17 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 18 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 19 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis
Ward 20 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly basis

4.5 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

Component D: Corporate Governance

4.6 Risk Management

The Municipal Finance Management Act (“MFMA”) Section 62 assigns extensive responsibilities to Accounting Officers/Municipal Managers. These responsibilities include ensuring that the organisation under their control has effective, efficient and transparent systems of financial and risk management and internal control.

Enterprise Risk Management (ERM) forms a critical part of any institution’s strategic management. It is a process whereby an institution both methodically and intuitively addresses the risks attached to its activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. ERM is therefore recognized as an integral part of sound organizational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

The underlying premise of risk management is that every government body exists to provide value for its stakeholders. Such value is based on the quality-of-service delivery to the citizens. All institutions face uncertainty and the challenge for management is to determine how much uncertainty is the institution prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Value is maximized when management sets objectives to strike an optimal balance between growth and related risks and effectively deploys resources in pursuit of the institution’s objectives.

The top five residual risks facing the Municipality are as follows

- Risk 01 : Business Continuity Management
- Risk 02 : Occupational Health and Safety
- Risk 03 :Registry / Records Management
- Risk 04 :Disaster Management
- Risk 05 : Revenue and Debt Management

**UMZUMBE LOCAL MUNICIPALITY
OPERATIONAL RISK REGISTER FOR 2023/2024 FINANCIAL YEAR**

RISK NAME	RISK DESCRIPTION	CAUSES OF RISK/ Contributing Factor	CONSEQUENCE/ Impact	INHERENT RATING	CONTROL MEASURES	CONTROL RATING	MITIGATION ACTION PLAN	Action Owner	Due Date	Status/Progress
DEPARTMENT: FINANCE										
SUPPLY CHAIN MANAGEMENT										
Supply Chain Management Procurement	Inefficient implementation of the SCM processes	Lack of SCM Standard Operating Procedures	Compromised service delivery.	Major	Bid Committee Schedule Meetings	Satisfactory	Request Provincial treasury to conduct Supply Chain Management training for SCM officials and Bid Committees.	CFO	30 September 2023	Not Resolved
		Incomplete Procurement Plan.	Excessive deviations.		Communication Strategy.		Review of the SCM Policy	CFO	30 June 2024	
		Departments forwarding specifications that are not clear.	Fruitless and wasteful expenditure.		Procurement Plan		Review the Procurement plan document - Implementation and monitoring of the procurement plan to be a standalone agenda item on the Top MANCO	CFO	30 September 2023	
		Bid Committees not sitting regularly and timeously.	Irregular expenditure		Supply Chain Management Policy and Procedures (Verification of goods supplied)			CFO	30 September 2023	
		SOP's not communicated to User departments			Sage system		Development of Standard pricing schedule and Benchmark	Manager: Internal Audit	30 September 2023	
		Submission of inadequate acquisitions			Regular review and report on performance against planned targets		Communication of the SCM Standard Operating Procedures	CFO	30 September 2023	
		Lack of training on Sage							31 December 2023	
		Collusion between the officials and service providers (unethical behaviour)			Declaration of Interest		Request office of		30 September	

		Lack of training provided to Bid-Committees Lack of training for SCM officials			by SCM officials MSCOA Report on the implementation of SCM to the Portfolio Committee and Council Section 52(d) and 71 Report CSD database Reporting on the implementation of Procurement plan		the Premier to conduct Ethics training to management and staff Communication of the Deviation form to all user departments Conduct SCM workshops on all SCM processes		er 2023 30 September 2023	
REVENUE MANAGEMENT										
Revenue and Debt Management	Inability to collect revenue	Government departments not paying their debts on time. Resistance by consumers Lack of understanding of the Municipal Property Rates Act Inaccurate valuation roll.	Loss of income. Compromised service delivery. Inability to meet financial obligations. Non-compliance with legislation.	Critical	Credit and Debt Collection Policy. Credit Control and Debt Collection Policy. Ad hoc reports to Cooperative	Weak	Continuous escalation of debt issues to relevant intergovernmental relations (IGR) Forum and MuniMEC. License to access Deeds register Create an	CFO Manager: Development Planning	Ongoing 30 June 2024 30 June 2024 31Decem	Not resolved

		Lack of awareness provided to consumers Inaccurate indigent register Lack of revenue enhancement strategy		Governance and Traditional Affairs Finance Portfolio committee Land Audit Indigent register Indigent Policy Valuation Roll Property rate policy Handover the defaulters to Legal Services. Investment Strategy	awareness to all consumers through the Imbizo Review and monitor the indigent register Review of Indigent Policy Development of the Revenue enhancement strategy - Establish the Revenue enhancement Committee Review property rate by-law		ber 2023 30 June 2024 30 June 2024 31 December 2023	
ASSET MANAGEMENT								
CREDITORS MANAGEMENT								

Creditors	Failure to pay service providers within 30 days.	Lack of submission of supporting documentation.	Possible litigation.	Critical	Invoice Register	Good	Supplier Awareness Campaigns	CFO / Expenditure Manager	30 June 2024	Not resolved
		Loss of invoices	Interest charges-Wasteful expenditure		Irregular Expenditure Register		Development of Standard Operating Procedures		30 September 2023	
		Poor Planning	Tarnished image of the municipality.		Monthly Creditors Reconciliation		Development of Payment Checklist		30 September 2023	
		Lack of understanding of the process by service providers.	Non-compliance with Municipal Finance Management Act.		Procurement Plan.					
		Lack of SOP	Negative audit outcome.		Date stamp of invoices					
		SOP not communicated with user departments			Finance Portfolio Committee					
		Invoice dispute			SCM Policy					
					Quarterly reports					
CORPORATE SERVICES DEPARTMENT										
HUMAN RESOURCES AND ADMINISTRATION										

Occupational Health and Safety	Failure to prevent work place incidents, injuries and expose of officials towards health hazards	Lack of Health Safety Committee	Injuries/death on duty.	Critical	Workman's Compensation.	Weak	Develop of Occupation Health and Safety Policy	Director: Corporate Services	30 June 2024	In progress
		Lack of Health Safety Policy	Litigation.		First Aid kit		Establishment of the OHS Committee		30 September 2023	In progress
		Non-implementation of Occupational Health and Safety Programs.	Tarnished image of the municipality.		Fire Extinguisher		- Development of TOR's			
		None appointed of First Aiders Safety Reps	Excessive sick leave by employees.		Pre medical assessment for newly appointed officials		- Nominate the First Aiders and Safety Reps / Training of First Aiders and Safety Reps			In progress
		Lack of evacuation plan	Financial Loss				Implementation of evacuation plan		31 December 2023	
		Lack of smoke detectors	High staff turnover				- Procurement of Occupational Health and Safety signs .			N/A
		None conductive of safety drills/functions	Health hazard				- Display of evacuation plan at strategic areas		30 June 2024	Resolved
		Non compliance to the Occupational Health and Safety Act	Decrease in productivity				- Conduct bi-annually Fire Drills			
		Inadequate safety signs within the municipal building					Procure and install Fire Dectetors and water sprinters		30 September 2023	
		Fire drills not conducted					Conduct awareness on wellness processes			
		Lack of assemble area								
		Lack of OHS training awareness								

Recruitment and Selection Process	Inadequate and ineffective systems of Human Resource Management	Political interference/intervention	Poor service delivery	Critical	Support Staff Policy	Good	Conduct screening and vetting on all municipal officials	Director: Corporate Services	30 June 2024	Resolved
		Appointment of incompetent /unqualified personnel	Non compliance with Human Resources Policy		Selection and Recruitment Policy		Training development committee		30 September 2023	In progress
		Ineffective recruitment and selection process	Conflict within employees		Human resource management policy		Development of Retention policy		30 June 2024	InProgress
		Lack of screening and vetting of lower candidates	Litigation cases		Declaration of interest and confidential by interview panel members					
		Ineffective systems to identify training needs for officials	Financial loss		Screening of sect 54 and 56 candidates prior appointment					
		Lack of Individual performance management policy	Low staff morale		Vetting on all candidates prior appointment					
		Employment of incapable workforce			Competency assessment conducted on sect 54 and 56 candidates					
		Lack of retention policy			Skill audits					
		High staff turnover								

					conducted Training needs analysis (Work place skills plan) Work place skills development report Collective agreement					
--	--	--	--	--	--	--	--	--	--	--

Human Resource Management	Poor leave Management	Delays in approval of leave by supervisors	Audit queries staff complaints	Major	Leave Management Policy	Good	Conduct Payday ESS awareness to all officials	Director: Corporate Services	30 September 2023	Not Resolved
		Manual leave applications not captured on the system	Non-compliance with Leave Management policy		Manual leave application form		Development of the Leave management standard operating procedure and communication thereafter.		31 December 2023	Not Resolved
		No attendance register in place	Financial loss		Payday Employee Self Servicers system		Consult with relevant stakeholders regarding the implementation of clocking system		30 September 2023	Resolved
		Non implementation of leave management policy			Clocking system					
		Lack of SOP			Leave reconciliations conducted					

Fleet Management: Maintenance	Inadequate maintenance and safeguarding of fleet	Lack of implementation of fleet management policy	Breakages.	Major	Fleet Management Policy - Pre and Post inspection on vehicles -Pre-authorisation form	Satisfactor y	Reconcile the fleet report from the bank with pre-authorisation and tracking system	Director: Corporate Services	30 September 2023	In progress
		Poor workmanship of service provider	Financial Loss.				Development of vehicle maintenance plan		31 December 2023	In progress
		Lack of maintenance of fleet	Delays in service delivery				Implementation of Disposal Policy - Identification of assets for disposal		30 September 2023	In progress
		Lack of vehicle maintenance plan	Community unrest		Political Office Bearers Vehicle Policy					
					Panel of mechanics					
					Car tracking system					
					Reconciliation of KM's travelled and petrol used					
					Governance and corporate services portfolio					

Registry/Records Management	Inadequate records management process.	Lack of storage space.	Unauthorised access to registry.	Critical	Document Movement Register.	Weak	Review of Record Management Policy	Director: Corporate Services	30 June 2024	Not Resolved
		Capacity constrains	Loss of critical documents.		File Plan.		Review of File Plan	30 June 2024	Not resolved	
		Outdated Record Management Policy	Non compliance to the National archive Act		Filing Cabinets.		Review of Standard Operating Procedures and communication thereafter	30 June 2024	Not Resolved	
		Outdated file plan			Filing Strong Room.			30 June 2024		
		Outdated Standard Operating Procedure			Manual Filing Systems.		Development of POPI and POPIA manual			
		Manual records management process			Fire proof Safe.		Request Department of Arts and Culture to conduct records management training to all management officials	31 December 2023		
		Institutional records not classified			Electronic filing					
		Lack of training provided to officials			Record management policy					
		Non compliance to the National Achieve Act			Scanners					
					SOP in place					
	Metro file									
	Training provided to all registry officials									

Business Continuity Management	Inability to resume business in an event of disruption	Lack of business continuity policy	Shut down of the Municipality	Major		Unsatisfactory	Development Business Continuity Policy	Manager: Internal Audit	31 March 2024	Resolved
		Insufficient resource	Loss of critical Document				Development of Business Continuity Plan		30 June 2024	Not resolved
		Budget Constrain	Delay in service delivery				- Testing of the Business Continuity Plan			
		Lack of an adequate business continuity plan	Municipal employee target not achieved.				Business Continuity awareness		31 March 2024	Not resolved
		Loadshedding	Financial loss							
		Lack of backup plans								
SOCIAL AND COMMUNITY SERVICES DEPARTMENT										

Disaster Management	Failure to respond effectively and timeously in a disaster incident	Lack of human capacity.	Damage to property	Critical	Disaster Management Advisory Forum	Weak	Revive of Rapid Response Committee. - Review TOR's - Conduct training - Appointment of members	Director: Social and Community Services	30 September 2023	Resolved
		Lack of resources. - Fire trucks - Disaster management response vehicle - Jaws of life	Human injuries Tarnished image of municipality		Disaster Management Plan.		Appointment of Superintendent		31 December 2023	In progress
		Disbursement of the municipality	Loss of life		Rapid Response Committee (IGR)		Review of Disaster Management Framework		31 December 2023	In progress
		Outdated Disaster Management policies	Non compliance with disaster Management and Fire Brigade ACT		Disaster and fire awareness campaigns		Appointment of the Fire Chief			In progress
		Lack of Disaster Management centre			Ward risk assessment		Jaws of life		31 December 2023	In progress
					Ward Committee		Development of Disaster management centre - Feasibility study - Source funding		31 March 2024	In progress
					Lightning conductor		Appoint Panel of service providers for disaster relief equipment		30 June 2025	In progress
					Disaster Management Framework		Update Disaster management Sector Plans		31 December 2023	In progress
							Implement disaster management volunteer programme		31 December 2023	In progress
									30 September	In progress

									er 2023	
--	--	--	--	--	--	--	--	--	---------	--

Facilities Management	Ineffective management of Municipal facilities	Lack of human capacity	Loss of property	Major	Hall hire policy	Satisfactory	Conduct awareness on hall policy to the community	Director: Social and Community Services / Manager: Community Services	2023/12/31	InProgress
		Outdated facilities Management policy	Conflict between municipality and community		Dedicated caretakers and security to monitor municipal facilities.		Review the Facilities Management Policy		30 September 2023	InProgress
		Lack of awareness provided to the community	Possibility of loss revenue Vandalism Misuse of municipal assets		Booking form		Development of Maintenance plan for facilities - conduct assessment for facilities		31 March 2024	InProgress

Environment Management	Inability to collect waste timeously	Illegal dumping.	Health hazards.	Critical	Service-Level Agreement (SLA) for Waste Collection - Waste collection schedule	Satisfactory	Develop Integrated Waste Management Plan.	Director: Social and Community Services / Manager: Environmental Management	30 September 2023	In progress
		Inadequate community awareness on waste management.	Pollution - water - land - Air				Procurement of skip bins		30 September 2023	In progress
		Insufficient resources (equipment). -Skip loader truck - Crew Cab truck	Possible litigations.		Skip bins		Procurement of Skip loader and crew cab truck		31 March 2024	In progress
		Insufficient human capacity	Tarnished image of the municipality.		Waste collection monthly report		Conduct awareness campaigns on Waste and Environmental Management.		30 September 2023	In progress
		Rural nature of the municipality.	Failure to attract investors/ tourist.		Social and Community Services and Special Programmes Portfolio		Development of the Environmental Management plan - this was changed to the State of Environment Project (Assessment of the Environment).		30 June 2024	In progress
		Lack of Integrated Waste Management Plan.	Community Unrest						30 June 2024	In progress
		Lack of waste and environmental by-laws					Development of waste and environmental by-laws		30 June 2024	In progress
		Lack of environmental management plan					Appointment of waste management general workers		30 June 2024	In progress
		Non compliance with Environmental act provisions					Appointment of Peace Officers		30 September 2023	
		OFFICE OF THE MUNICIPAL MANAGER								

Risk Management	Ineffective risk management processes.	Lack of Risk Management Committee	Inability to achieve the municipal objective.	Critical	Audit Committee.	Satisfactory	Review Anti-Fraud and Corruption Strategy , Implementation Plan and relevant annexures	Manager: Internal Audit	31 December 2023	In progress
		No dedicated personnel for risk management function	Non Compliance with MFMA		Enterprise Risk Management Policy.				31 March 2024	Not resolved
		Non integration of risk management with day to day operations	Compromised service delivery		Municipal Oversight structures		Conduct Anti-Fraud and Corruption awareness		30 September 2023	In progress
		Lack of Risk Management Annual Implementation plan	Audit queries		Risk Management Framework		Develop Annual Risk Management Plan		30 September 2023	In progress
		Outdated Anti-Fraud and Corruption Strategy and relevant annexures	Vulnerability to fraud and corruption		Risk Management Committee		Review the Terms of Reference of the Risk Committee to include - Anti-Fraud and Corruption responsibilities - Business Continuity responsibilities - Ethics Management responsibilities		30 September 2023	Not Resolved
			Tarnished image of the municipality		Terms of reference in place for Risk Committee				Monthly	Not resolved
			Financial loss		Appointed Risk Management Champions per department		Regular reporting of the implementation of the risk management plan to Top Management meetings (MANCO & Top MANCO)		30 September 2023	In progress
					Declaration of financial interest		Conduct Trainings for Risk Management champions		30 June 2024	
					Anti Fraud and Corruption hotline		Appointment of Risk Management Officer			

Internal Audit	Inadequate assurance and control environment measures provided	Lack of human capacity.	Under-utilization of resources.	Major	Audit Committee Charter.	Satisfactor y	Request Provincial Treasury to conduct Audit Committee function and audit process review	Manager: Internal Audit	30 June 2024	Resolved
		Potential conflict of interests.(IA conducting Risk Management duties)	Assurance services compromised.		Effective Audit Committee.				30 June 2024	Not Resolved
		High staff turnover.	Non-compliance with Municipal MFMA and IIA Standard		Internal Audit Charter.		Obtain template to conduct internal control reviews through IIA website - Conduct internal quality control reviews			
		Lack of understanding the role of internal audit by other officials.	Vulnerable fraud and corruption, non compliance and operational deficiencies.		Internal Audit Methodology.		Appointment of the Internal Audit officers		30 September 2023	In progress
		Slow implementation of IA recommendations.	Financial Loss		Internal Audit Plan.		Establishment of Internal Audit Steering committee - Development of TOR		30 September	Not Resolved
		Audit Committee not assessed	Compromised independency and objectivity		MFMA		- Nominate members			
		Internal quality controls reviews not conducted	Negative audit outcome		IIA Standard					
		Lack of Combined Assurance Framework	Tarnish municipal image		Audit Committee individual /self assessment conducted					
					Independent quality control reviews are conducted on IA processes					
					Officials affiliated to the Institute of Internal Audit					

					Appointed Internal Audit consultants						
					Ongoing training of internal audit staff						

Development: Development Planning and LED	Inadequate implementation of the IDP	Insufficient funding to implement the Integrated Development Plan (IDP).	Compromised service delivery.	Critical	Adopted IDP and Process Plan by council	Satisfactory	Procurement of EPMS	Manager : Development Planning	30 September 2024	In Progress
		High expectations by the community. Budget cuts. Change in political leadership goals/objectives (Provincial and National, Local level) Lack of commitment by officials. Natural disaster Vacancy position within the different departments late submission of POE's PMS process not cascaded to all officials The KPI not meeting the SMART principle	Fruitless, wasteful and irregular expenditure. Community unrest. Tarnished image of the municipality. Non compliance with municipal system act and MFMA		Integrated Development Plan Forums. LED & Planning Portfolio Committee Public Participation Strategy. Rapid Response Committees Ward Structures. IDP steering committee Ward base plans Annual assessment IDP conducted by Cogta and other stakeholders Internal Audit review.		Development of the Individual Performance Policy		30 June 2024	

				Performance Audit Committee. Performance Management System Policy and Regulations. Quarterly performance Reviews on section 54 and 56 managers PMS Quarterly reports submitted to Cogta Audits conducted by Internal Audit and Provincial Cogta on performance of the IDP Reviewal of PMS Framework Continuous engagement with private and public partnerships for implementa						
--	--	--	--	--	--	--	--	--	--	--

				tion of IDP Projects						
				Disaster Manageme nt Plan						

Development: Development Planning and LED	Illegal infrastructure development	Lack of knowledge of land ownership and land rights (different stakeholders).	Loss of life (Disaster (flood plain)).	Major	Awareness campaigns on land use management, building regulations and environmental management.	Weak	Establishment of a Municipal law enforcement Unit - Fill in the position of Superintended - Appointment of Peace Officers - Training other officials with Peace officers skills	Manager : Development Planning, Manager Environmental and Superintended	31 December 2023	In progress
		Lack of collaboration between the municipality and traditional councils.	Hindered future developments. Conflicting land uses.						30 June 2024	InProgress
		Non enforcement of municipality By-Laws	Financial loss.		Municipal By- laws.		Development of Integrated Waste Management, Environmental management and outdoor advertising By-Laws			
		Uncoordinated developments by community			Geographic Information System (GIS).					
		Lack of awareness			Land use scheme.					
		Resistance by community			Municipal Town Planning Tribunal/ authorised officer.					
		Lack of peace officers			Spatial Development Framework.					
					Land Acquisition Policy in place					
					Continuous engagement with Land owners and Amakhosi					

					regarding the developme nt of by-laws					
--	--	--	--	--	--	--	--	--	--	--

LED	Inability to create conducive environment for local economic growth	Capacity Constrains	Poverty	Major	LED Strategy	Satisfactory	Implementation of the attraction strategy and Plan - Benchmarking with other municipality - Sourcing funding	Manager: Local Economic Development	30 June 2024	In Progress		
		Insufficient resources	High unemployment rate		Implementation of LED projects and programmes				(Ongoing)			
		Lack of investment by private /public sector	Social ills		LED Forum							
		Insufficient support of SMME's / Corps by municipality	Migration of businesses		Informal Traders Policy						Appointment of Peace officers	30 September 2023
			Financial Loss		Informal traders database							
					Investment summit where municipality showcase the LED programmes							
					Investment and attraction strategy and Plan							
					By-laws (Business licencing and informal trading)							
					Sector Plans							
TECHNICAL SERVICES DEPARTMENT												

Project Implementation	Inability to provide efficient and integrated infrastructure services	Natural causes (weather, etc).	Projects not completed within the set deadlines.	Critical	Approved Business Plans	Good	Regular meetings with Inter Governmental Relations.	Director: Technical Services	Ongoing	InProgress
		Political Interference	Withdrawal of grants.		Bid Committees				Ongoing	InProgress
		Uncoordinated/illegal development	Financial loss.		Energy Master Plan		Strengthens consultation processes with traditional authorities.		Ongoing	InProgress
		Appointment of incompetent service providers.	Overlapping of projects.		Fixed Contracts		Monitor implementation of Procurement Plan		Ongoing	InProgress
		Inadequate stakeholder support.	Community unrest.		Housing Sector Plan		Monitor the storage facility where all equipment and building materials are stored			
		Lack of communication with local house of traditional authorities.	Compromised service delivery.		Local community made aware of projects and policies.					
		Delays in appointment of service providers.	Tarnished image of the municipality		Investment and attraction strategy					
		Demands by the business forums.			Housing Code					
		Limited capacity on bulk electricity.			Labour Intensive Construction Policy					
		Delays in acquiring of land development right.			Maintenance Plan					
		Unavailability of land.			Implementation Plan					
					Infrastructure Master Plan.					

					Monthly Progress Report. Ward Committees . Weekly Departmental Programs. Procurement Plan Infrastructure Portfolio Committee					
--	--	--	--	--	---	--	--	--	--	--

UMZUMBE LOCAL MUNICIPALITY - STRATEGIC RISK REGISTER 2023/2024					INHERENT RISK		RESIDUAL RISK				
N O	KEY PERFORMAN CE AREA	RISK DESCRIPTION	ROOT CAUSE/ CONTRIBUTING FACTOR -CAUSES OF RISK	CONSEQUENC ES	IMPACT	CURRENT CONTROLS	CONTROL EFFECTIV ENESS	RISK MITIGATION ACTION PLANS	ACTION OWNER	DUE DATE	STATUS/ PROGRES S (RESOLVE D/NOT RESOLVE D/IN PROGRES S)

1.	KPA1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Inability to attract and retain critical/scarcely technical and suitable skills to the municipality to fulfil the mandate.	Inadequate implementation of the Performance Management System (PMS) Framework and PMS Policy. - Senior Management - Lack of PMS Standard Operating Procedures. Failure to provide various allowances to municipal staff e.g. - Rural Allowance. Low municipal grading. - Grade 1 for staff. - Grade 3 for councillors. - Low salary notches. Delays from the job evaluation committee to providing the job evaluation report. Insufficient office space. Lack of Employee Assistance Programme (EAP). - Lack of EAP policy	Compromised service delivery. - Failure to active municipal targets. Productivity may not be maximized. Low staff morale. Negative audit outcomes. High turnover of staff. Loss of valuable specialised and technical skills.. Compromised Business Continuity. Tarnished image of the municipality.	Major	Developed and approved Performance Management System (PMS) Framework. Developed and approved PMS Policy. Developed and approved Workplace Skills Plan Workplace Skills Audit Provincial Job Evaluation Committee - All applications for Job Evaluation have been submitted to the provincial committee.. Developed and approved Recruitment and Selection Policy. Established Training and Development Committee Established Local Labour Forum. Panel of service providers	Satisfactory	Develop Individual performance management system (IPMS) Policy - To cascade the Individual Performance Management process to lower levels of municipal officials. To develop the Employee Assistant Programme (EAP) Policy. - To outsource service of EAP To engage SALGA regarding job evaluation. To develop and implement the Human Resources strategy To develop the Retention Policy To develop and implement the Induction Manual.	Director: Corporate Services	30 June 2024 31 March 2024 30 September 2023 31 December 2023 30 June 2024 30 September 2023 31 December 2023 30 June 2024	Not Resolved In progress Resolved Not Resolved Not Resolved In progress Not Resolved In progress
----	---	---	--	--	--------------	--	---------------------	--	------------------------------	--	--

			Inadequate implementation of appropriately structured induction programme/plan. Prolonged filling of vacant positions. -Budget constraints. Inadequate transfer skills by appointed consultants to municipal officials. Lack of an approved Human Resources strategy. Lack of an approved Human Resource Strategy Lack of attraction and retention strategy			Code of conduct for all officials and councillors. Car allowance for Senior Managers Bursary policy Skills transfer clause in all newly concluded Service Level Agreements with consultants providing services to the municipality		Train management on employee wellness early warnings symptoms identification on their respective staff Explore the establishment of the Disciplinary Board at the District level as a shared service			
--	--	--	---	--	--	--	--	--	--	--	--

		Inability/Failure to provide direction on information technology governance processes	Information technology has not been realized by management as a strategic enabler. Slow implementation of the Information Technology Governance Framework -Inadequate training of IT officials and management -Shortage of human resources (IT Technicians) Lack of segregation of duties on overseeing IT systems Co-source specialized IT services Failure to review and re-align the Information Technology (IT) Strategy with the Integrated Development Plan and Municipal Strategy Non-scheduling of Information Technology (IT) Steering Committee sittings	Non-compliance with standard procedures in terms of Information Technology (IT) Framework Inability to align the Information Technology strategic objectives with the Municipal strategic objectives Inability to identify control weaknesses in a timely manner Compromised service delivery Compromised business continuity Loss of critical data Financial loss Cyber attacks Compromised municipal systems	Major	Approved Information Technology (IT) Governance Framework IT Disaster recovery plan and policy Anti virus Approved Information Technology (IT) Strategy Back up and replication to server Cyber attack Firewall Outsourced Information Technology Support Services	Satisfactory	To implement the Information Technology Governance Framework To review and re-align the Information Technology (IT) Strategy with the Integrated Development Plan and Municipal Strategy -Training of IT officials and management -To appoint IT Technicians through undergraduate programme To develop schedule of meetings for Information Technology (IT) Steering Committee sitting	Director: Corporate Services	Ongoing 31 March 2024 31 July 2023	
--	--	--	--	---	--------------	--	---------------------	--	------------------------------	---	--

3	KPA 02: Municipal Financial Viability and Management (Sound Financial Management)	Failure to manage and sustain municipal finances.	Possible abuse of municipal finances.-Fraud and Corruption.-Unethical behaviour.Failure to spend municipal grant funding.Inability to increase/raise revenue sourcesInability to prevent and detect Unauthorized, Irregular, Fruitless and Wasteful Expenditure.Non-payment of rates and services by consumers.Inadequate implementation of the Revenue Enhancement Strategy.Lack of consequence management.Out dated billing information.Inadequate completion and implementation of the Procurement Plan.Poor maintenance of assets.Delayed payments of service providers (within 30 days)-Undisputed invoicesLack of capacity to preparer Annual Financial	Depletion of the municipal going concern.Compromised service delivery.-Delays in rendering municipal services.Decrease in Municipal credibility to access grant funding.Negative audit outcomes.Unfunded budget.Impairment of assets.Financial loss.Withholding of equitable share.Incorrect information used for financial reporting	Major	Code of Conduct for officials and councillors. Grant Summary Report. Monthly Grant Reconciliations. Section 71,72 & 52 (d) reporting to monitor grant spending.Approved Finance policies in line with Supply Chain Management Regulation Weekly payment runs.Monthly Reconciliations. Approved Credit Control Policy. Budget module Appointment of consultant to review Financial Statements Established Bid committee Finance Portfolio CommitteeOutdated Revenue Enhancement StrategySchedule of bid committee meetings	Moderate	To conduct Data Cleansing by municipality To review and implement the Revenue Enhancement Plan. Train finance section on Financial system (Sage) on constance amendmentTo move inventory to finance section - to conduct proper stock taking- to develop a stock movement register Explore the establishment of the Disciplinary Board at the District level as a shared service	Chief Financial OfficerCFOCFODirector: Technical ServicesDirector: Corporate Services	30 June 2024 31 December 2023 31 March 2024 30 January 202430 June 2024	Not Resolved
---	--	--	---	---	--------------	---	-----------------	--	---	--	---------------------

			Statements using internal resources. Delay in procurement processes Non-implementation of SCM policies Inconsistence in bid committee sittings Inconsistence in making payments or selection of the payment run days Lack of training for finance section on Financial system Outdated Revenue Enhancement Strategy								
4	KPA 03: Basic Service Delivery and Infrastructure Development	Inability to meet service delivery needs and requirements: a) Facilitate access to electricity for all targeted households; b) Reduce the roads infrastructure backlog and maintain the existing infrastructure; c) Facilitate the reduction of the housing backlog; d) Provide	ELECTRICITY Geographical spread of households Non-existence of electricity infrastructure in rural areas. Difficulties in obtaining WAYLEAVE from farmers. Lack of Electricity Master Plan. Inadequate communication amongst stakeholders (Eskom, Department of	Community unrest Compromised service delivery Tarnished image of the municipality Financial loss Non -compliance with the provisions of the Environmental Management Act. Negative audit outcomes. Loss of potential investors	Critical	Approved Business Plans Bid Committees Energy Master Plan Fixed Contracts Housing Sector Plan Local community made aware of projects and policies. Investment and attraction strategy	Major	Regular meetings with Inter Governmental Relations. Strengthens consultation processes with traditional authorities Monitor implementation of Procurement Plan	Director: Infrastructure	On going On going On going	In progress In progress In progress

		efficient waste collection and management service to all targeted household; e) Public Amenities.	Mineral and Energy and the Municipality). Aging electricity infrastructure in urban areas. Lack of as-built drawings Insufficient resources - Human resources - Electricity Equipment Lack of Electricity Maintenance Plan ROADS Limited funding Lack of Roads Master Plan Aging infrastructure Roads infrastructure backlogs Insufficient resources - Equipment (Tipper trucks) Lack of Roads Maintenance Plan HOUSING Limited funding Inadequate	Environmental impacts (infectious diseases, land, water pollution and obstruction of drains. Fatalities and Injuries. Decrease in allocation of grants to the municipality. Negative impact on the growth of the local economy. Failure to achieve the strategic objectives and the mandate of the municipality. Uncontrollable illegal structures.		Housing Code Labour Intensive Construction Policy Maintanance Plan Implementation Plan Infrastructure Master Plan. Monthly Progress Report. Ward Committees. Weekly Departmental Programs. Procurement Plan Infrastructure Portfolio Committee					
--	--	---	---	---	--	--	--	--	--	--	--

			implementation of the Housing Sector Plan. Lack of title deeds for certain areas. Delays in issuing of title deeds in some areas . Inadequate land for development. WASTE MANAGEMENT Inadequate funding. Insufficient resources. Lack of the Integrated Waste Management Plan. Non-implementation of the Buyback Centre.								
--	--	--	--	--	--	--	--	--	--	--	--

5.	KPA 04: Local Economic Development	Failure to create an enabling environment to develop and grow the local economy.	Inadequate provision of basic services and poor municipal infrastructure. - Water and electricity supply. - Storm-water pipes. - Poor condition of Roads. - Non-allocation of land parcels earmarked for development (Newly constructed buildings). - Insufficient informal trading infrastructure. Uncoordinated/unregulated informal trading activities. Lack of training opportunities for emerging businesses to operate successfully -Limited funding. Lack of fully fledged ablution facilities. - sanitation Gazette Local Economic Development By-Laws. Political interference. Lack of a	Slow/stagnant economic growth in the area. Loss of potential investors. Relocation of business due to poor infrastructure. Poor communication with stakeholders. Community unrest/protests. Increase in social ills -High rate of poverty. -High rate of crime. -High rate of unemployment -High rate of indigent households. -Social inequality. Limited agricultural production. Political instability. Mushrooming of informal traders and influx of unregulated foreign traders. Uncoordinated economic	Major	Approved Local Economic Development Strategy. Approved Informal Traders Policy. Allocated budget for LED operations. Approved Municipal by-laws. Local Economic Development Sector Plans Investment framework Profiled tourism assets	Satisfactory	To appoint Rural & Agriculture development officer - 30 June 2023 (depending on the report of the JD)	Director: Infrastructure	30 Sep 23	RESLOVED
----	------------------------------------	--	--	---	-------	--	--------------	---	--------------------------	-----------	----------

			Business Attraction and Retention Policy. -Lack of incentives. Failure to enforce informal and formal business regulations. Influx of unregulated foreign trader Shortage of human resources: -LED Practitioners x 3, LED Officers x 3, Secretarial Support, Tractor Driver Manufacturing sector plan Gaps in tourism plan Lack of agriculture sector plan Lack of feasibility study Land tenor (privately owned) Business law	development initiatives. Inability to contribute to the achievement of National and Provincial priorities as per the Medium Term Strategic Framework and the National Development Plan.								
--	--	--	--	---	--	--	--	--	--	--	--	--

6.	KPA 05: Good Governance: Fraud and Corruption	Vulnerability to Fraud and Corruption	No dedicated personnel for risk management functionNon integration of risk management with day to day operationsLack of Risk Management Annual Implementation planOutdated Anti-Fraud and Corruption Strategy and relevant annexuresSlow implementation of the Anti-Fraud and Corruption Policy (including whistle-blowing procedures, gift procedures, conflict of interest and investigations)Lack of Anti-Fraud and Corruption Implementation Plan Failure to conduct Fraud Risk Assessments regularly to identify and mitigate fraud related threats Un-ethical culture and conduct within the municipality-Inadequate systems in place to promote and maintain high standards of professional	Negative audit outcomeAbuse of municipal resourcesCompromised service deliveryService delivery protestsInstitutional instabilityTarnished image of the municipalityFinancial loss Exorbitant pricesIncreasing unprofessional and unethical conduct Maladministration	Major	Audit Committee.Enterprise Risk Management and Fraud Register.Enterprise Risk Management Policy.Oversight structuresRisk Management FrameworkRisk Management CommitteeTerms of reference in placeRisk Management Champions in placeDeclaration of financial interestAnti Fraud and Corruption hotline	Weak	Review Anti-Fraud and Corruption Strategy , Implementation Plan and relevant annexuresConduct Anti-Fraud and Corruption awarenessDevelop Annual Risk Management PlanReview the Terms of Reference of the Risk Committee to include- Anti-Fraud and Corruption responsibilities- Businesss Continuity responsibilities- Ethics Management responsibilitiesRegular reporting of the implementation of the risk management plan to Top Management Conduct Trainings for Risk Management champions Review the Municipal organogram to include Risk Management Officer	Manager Internal Audit	31 December 202331 March 202430 September 202330 September 2023MonthlyOn-going30 June 202430 June 2024	In progressIn progressIn progressNot ResolvedNot ResolvedIn progressIn progress
----	---	---------------------------------------	--	--	-------	---	------	---	------------------------	--	---

		ethics-Non establishment of the Ethics Committee, appoint an Ethics Officer and nominate Ethics Champions- Failure to induct officials on the code of conduct of the municipality- Inadequate setting of the Ethics Management tone at the topLack of internal whistle blowing mechanism Possible collusion between staff and service providers					Appointment of Risk Management Officer			
--	--	---	--	--	--	--	--	--	--	--

7.	KPA 05: Good Governance: Compliance	Non-compliance to laws, regulations, acts, rules and municipal policies.	Failure to monitor institutional compliance with applicable laws and regulations. - Lack of an institutional compliance checklist Decentralised development of municipal policies to Departments Failure to consult municipal policies during the development and review processes. Lack of knowledge and understanding of municipal policies by all officials . Absence of a dedicated Compliance Officer.	Negative audit outcome Tarnished image of the municipality Inability of the municipality to continue as a going concern Different interpretation and implementation of municipal policies Exposure to Fraud and Corruption. Withdrawal of grant allocated (e.g. MIG, FMG) Possible financial loss, penalties and fines for non compliance to particular legislation and laws. Increase in irregular, fruitless and wasteful expenditure.	Major	Compliance audits are conducted by the Internal Audit Unit. e.g. -Budget Compliance. -Performance Management System /IDP compliance. Monitoring of the MFMA calander to ensure compliance by the municipality. Review of Budget and Treasury Office policies by COGTA and Provincial Treasury	Major	Develop Compliance Universe (Checklist)	Manager: Legal Services	30 Jun 24	Not resolved
----	--	---	--	--	--------------	---	--------------	--	-------------------------	-----------	---------------------

	KPA 05: Good Governance: Clean Audit Opinion	Failure to achieve clean audit, good governance and administration	Inadequate implementation of Internal and External audit recommendations. Failure to conduct risk assessments across the municipality. Failure to conduct on-going financial reporting reviews bi-annually / on a quarterly basis. Failure to implement the Performance management framework adequately. Failure to implement the consequence management. Poor management of municipal records, resulting in non availability of information for transactions processed. (scope limitation). Inadequate oversight by assurance providers (Internal Audit, MPAC, Audit Committee). Failure to implement AG Audit Action Plan-Re-occurrence of /repeated audit findings. Inadequate Supply Chain Management processes.	Material misstatement of financial statements. tarnished image of the municipality. Negative audit outcomes. Loss of potential funders and investors. Community unrest. Increase in Irregular, Fruitless and Wasteful expenditure. Non compliance with the provisions of the Municipal Finance Management Act. Decline in the municipality's going concern. Re-occurrence of audit findings. Negative impact on corporate culture	Major	Internal Audit Action Plan. Budget related policies- Supply Chain Management policy Unauthorized, Irregular, Fruitless and Wasteful Expenditure Register in place. Utilization of CASEWARE system for preparation of Annual Financial Statements (AFS) Established Municipal Public Accounts Committee. Established Audit Committee. Assurance services provided by Internal Audit Unit. Established Risk Management function. Developed operational risk profile for 2023/24 financial year. AG and Internal Audit Action Plan is a standing agenda item during the Top Management Meetings. Annual Financial	Satisfactory	To prepare monthly Reconciliations To conduct educational workshops to capacitate all municipal officials on the Individual Performance Management Policy.	Chief Financial Officer/Director: Corporate Services	Monthly 30 June 2024	
--	---	---	--	---	--------------	--	---------------------	---	--	----------------------	--

			Failure to prevent, detect, report and investigate Unauthorised, Irregular, Fruitless and Wasteful Expenditure. Unreliable information Poor record management		Statements (AFS) preparation plan.Established Interim Finance Committee.Monitoring and updating of AG Action Plan on a quarterly basis. Consequency Management PolicyWorkshops on Performance Management Framework Quaterly asset verificationsAuditor General (AG) Action PlanDeveloped operational risk profile for 2023/2024 financial year					
--	--	--	---	--	--	--	--	--	--	--

8.	KPA 06: Cross Cutting Interventions	Uncoordinated planning to guide future developments	Limited budget Insufficient resources - Equipment (Geographic Information System) Inappropriate office space Non implementation of SPLUMA - Non implementation of Spatial Development Framework (SDF) - Non establishment of Planning Tribunal. - Outdated Land Use Town Planning Scheme Development on environmental sensitive land without prior approval. Lack of bulk water and sanitation infrastructure confirmation from the District Municipality. -Poor coordinated planning with the district municipality.	Disasters, accidents. Loss of lives. Mushrooming informal settlements which affects achievement of municipal developmental goals. Community unrest. Inability to provide basic services. Dispersed developments. Impact on revenue generation. Illegal land use. Overloading of bulk infrastructure. Court battles on municipal land. -Financial loss. Negative impact on investor confidence. Negative impact on the growth of the local economy.	Major	Developed and approved Spatial Development Framework (SDF) Developed Land Use Town Planning Scheme. Developed Housing Sector Plan. SPLUMA Municipal By-Laws. Local Area Plan and Precinct plans	Weak	Develop Environmental Management Plan and By-Laws Appoint Peace Officers to conduct Law Enforcement Explore the option of using Ward Committee, Amakhosi and izinduna through councillors to inform the municipality on land invasion	Director: Infrastructure & Development Planning	30 June 2024 30 Sept 2023 30 Sept 2023	In progress In progress In progress
----	-------------------------------------	---	---	--	-------	--	------	--	---	---	--

		Land invasion Outdated municipal By-Laws. Lack of educational platforms for citizens to educate them about the Spatial Planning and Land Use Management Act requirements. Illegal developments. - Encroachments. - Land uses. -Buildings. -Signage. -Court battles. Majority of Land is in private ownership. Lack of Strategic environmental assessments.							
--	--	--	--	--	--	--	--	--	--

9.		Inability to maintain/ recover/ quickly resume municipal business operations in the event of a disaster, attacks and disruptions.	Failure by the municipality to conduct business continuity, advance planning and preparedness:- Lack of Business Continuity Policy- Lack of an updated Business Continuity Plans across municipal departments/business functions- Insufficient resource -Budget Constrains Non establishment of the BCM Steering CommitteeAging IT infrastructure- Failure to maintain and upgrade infrastructure on an ongoing basis Outbreak of pandemics or black swan events (eg Coronavirus)Load shedding Lack of backup plans	Inefficiencies in business operationsInability to deliver basic services to the communityLoss of critical municipal dataFinancial loss:-Cash flow negatively affected -Low revenue collection-High recovery costs from the disaster/disruptionPossible litigations against the municipalityNegative audit outcomesTarnished image of the municipalityNegative impact on the municipality's human resources-Low staff morale-Loss of critical /technical and specialised skillsClosure of business for a short/long period of time	Catastrophic	Disaster Recovery Plan Disaster human and physical resources e.g. vehicles.ICT disaster recovery planAccess to laptops router for all officials, VPN accessDeveloped and approved Backup PolicyOff - site back up facility (could environment)	Unsatisfactory	Development Business continuity Policy Development of Business Continuity Plan - Testing of the Business Continuity Plan Business Continuity awareness	Manager Internal Audit	31 March 202430 June 202431 March 2024	ResolvedNot resolvedNot resolved
10.		Inability to achieve the strategic goals of the municipality as set on the 5 year strategy (IDP) by 2023/2024	Insufficient funding to implement the Integrated Development Plan (IDP).High expectations by the community.Budget	Compromised service delivery.Fruitless , wasteful and irregular expenditure.Community unrest. Tarnished image of the	Major	Public Participation Strategy.Rapid Response Committees.Ward Structures.IDP steering committeeWard	Satisfactory	Procurement of EPMS Development of the Individual Performance Policy	Municipal Manager	30 September 202430 June 2024	Not resolvedNot resolved

		et cuts.Change in political leadership goals/ objectives (Provincial and National, Local level)Lack of commitment by officials.Natural disaster Vacancy position within the different departments Late submission of POE's PMS process not cascaded to all officials The KPI not meeting the SMART principle	municipality.Non compliance with Municipal System Act and MFMA		base plans Annual assessment IDP conducted by Cogta and other stakeholdersInternal Audit review.Performance Audit Committee.Performance Management System Policy and Regulations.Quarterly performance Reviews on section 54 and 56 managers PMS Quarterly reports submitted to Cogta Audits conducted by Internal Audit and provincial COGTA on performance of the IDP Reviewal of PMS FrameworkContinuous engagement with private and public partnerships for implementation of IDP Projects Disaster management plan					
--	--	--	--	--	---	--	--	--	--	--

Anti-Corruption and Fraud, Whistle blowers hotline

Fraud represents a significant potential risk to the Municipality's assets and reputation. The Municipality is committed to protecting its funds and other assets. The Municipality will not tolerate corrupt or fraudulent activities whether internal or external to the organizations, and will vigorously pursue and prosecute any parties, by all legal means available that engage in such practices or attempt to do so. The Anti-Corruption Strategy and Fraud Prevention Plan have been developed because of the expressed commitment of Government to fight corruption. It is also an important contribution to the National Anti- Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

Fraud and Corruption activities can be reported at Provincial Anti-Fraud and Corruption Hotline number **080 0701 701**. Also, at Umzumbe Internal Audit in this **039 972 0005**.

4.7 Supply Chain Management

The Municipality operates a Supply Chain Management (SCM) unit under the Finance Department. This unit is tasked with the responsibility of ensuring that the procurement of goods and services adheres to principles of transparency, competitiveness, fairness, equity, and cost-effectiveness, in strict accordance with the SCM policy. It's important to note that the municipality reviews its SCM policy on an annual basis to keep it up to date.

To address purchase requisitions from other departments within the municipality, the unit employs the use of the SAGE Evolution enterprise resource planning system. Their commitment is to respond promptly to authorized purchase requisitions whenever possible. For each individual contract, separate files are meticulously maintained, containing comprehensive information about the contractor, evaluation and adjudication reports, payment details, and more. Additionally, an annual procurement plan is compiled.

Regular reports on SCM implementation, including any deviations and instances of irregular, fruitless, or wasteful expenditure, are submitted to the portfolio committees for review. The municipality has established functional bid committees, including Bid Specifications, Bid Evaluation, and Bid Adjudication committees, ensuring that tender evaluations and adjudications are carried out in strict compliance with SCM regulations.

The municipality is actively pursuing a strategy to empower local businesses and cooperatives as part of our commitment to enhancing local economic development. Efforts are made to rotate suppliers wherever possible to provide equal opportunities. However, there are challenges, mainly because many of our local businesses lack well-established operations and may not be able to supply certain goods or services as needed.

4.8 By-laws

Section 11(3) (m) of the Municipal Systems Act No 32 of 2000, gives municipality's the right to pass by-laws in their area of jurisdiction. The SPLUMA bylaws were developed and Gazetted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality. There were no bylaws developed and adopted by council during the 2022/23 financial year.

4.9 Municipal Website

Section 75 of the Municipal Finance Management Act (Act No. 56 of 2003) requires the Accounting Officer to place the following documents onto the website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	

The annual report (Year 0) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	N/A	
All long-term borrowing contracts (Year 0)	N/A	
All supply chain management contracts above a prescribed value (give value) for Year 0	N/A	
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 Year 1	N/A	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	N/A	

5 Chapter 3 – Service Delivery Overview & Performance

Component A: Basic Services

5.1 Water Provision

Water and Waste-water (sanitation) are services provided by Ugu District Municipality as an institution with water serves authority. Housing services are implemented by the Department of Human Settlements in conjunction with the Municipality. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

The Strategic Integrated Projects (SIPs) programme identified projects by Governance aimed at fast tracking development and growth. Mhlabatshane Dam is a project within the district aimed at improving access to water for the communities. UGu District Municipality in partnership with Umgeni Water, are working together to ensure operation of the Dam and improved access to water.

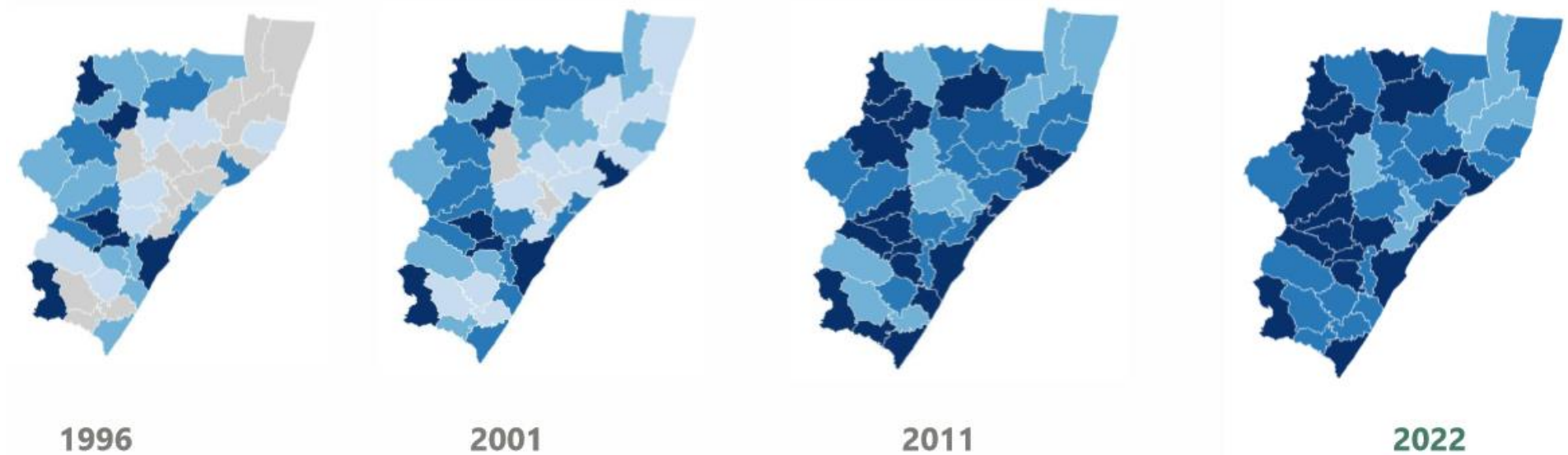
Mthwalume, Ndelu and Mhlabatshane water supply zones falls within Umzumbe Municipality. The Ndelu supply zone is supplied by the Ndelu waterworks from the Umzumbe River and will also be extended in future to include the areas of Ndelu, Qwabe N, Kwa Hlongwa and parts of Mabheleni and Mathulini of the Umzumbe tribal authority area.

The Mthwalume supply zone is supplied by the Mthwalume waterworks and includes the rural areas of Mathulini and Qoloqolo, as well as the urban coastal areas of Mthwalume, Ifafa Beach and Bazely Beach. The Mhlabatshane supply zone is situated in the Umzumbe Municipality and currently comprises of a number of stand-alone rural schemes (Phungashe, Ndwebu and Assisi schemes), which will in future be incorporated into a single regional water supply scheme. The supply zone covers the area between the Umzimkulu and Umzumbe rivers, from Phungashe in the north-west to Frankland in the south-east.

Water Sources	Households
Piped (tap) water inside the dwelling/house	1.56%
Piped (tap) water inside yard	17.33%
Piped water on community stand	27.92%
Borehole in the yard	0.54%
Rain-water tank in yard	2.76%
Neighbours tap	1.12%
Public/communal tap	19.89%
Water-carrier/tanker	3.80%
Borehole outside the yard	2.43%
Flowing water/stream/river	21.85%
Well	0.25%
Spring	0.27%
Other	0.29%

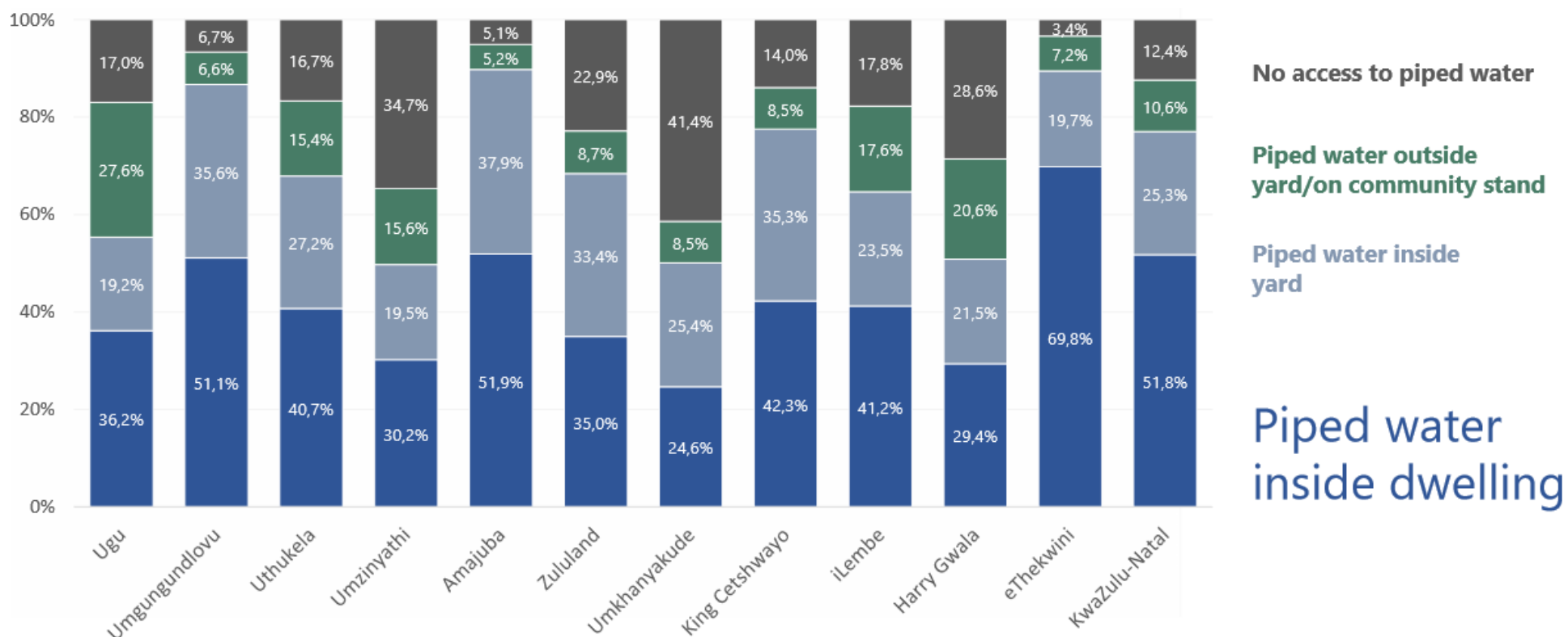
In 2022, over four-fifths (82,4%) of households in the country had access to piped water either inside their dwelling or inside their yard. 87,6% of households in KZN had some form of access to piped water. KZN still has several municipalities with household reporting access between 60 and 80%. Over half of households in the KZN reported having access to piped (tap) water in 2022. Umzumbe recorded 60-79.9% of households by access to piped water.

Percentage access to piped water



Source: Stats SA (2022)

Households by access to piped water, Census1996-2022 in KZN



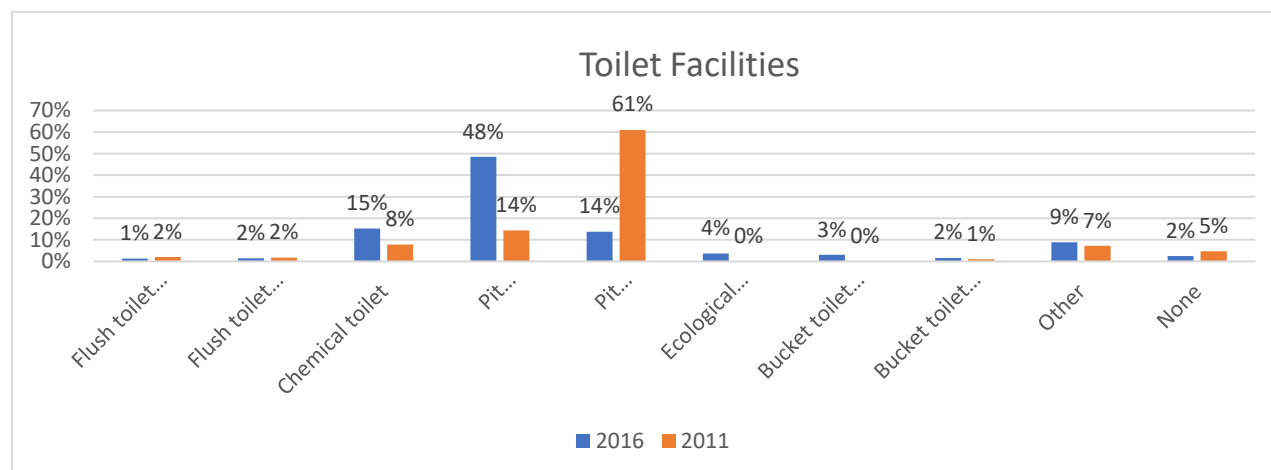
Source: Stats SA (2022)

5.2 Wastewater (Sanitation) Provision

Access to sanitation within Umzumbe Municipality is in a form of ventilated improved pit latrines. Stats SA (2022) revealed that about 20,6% of households have access to flush toilets within Umzumbe Municipality, this tells a story in the sense that access to sanitation at an RDP standard has increased from 26% in 2011 to 66% in 2016, an increase by 40%. This points to the functionality of Intergovernmental relations efforts by the municipality, UGU District Municipality and sector departments ensure that all households have access to a dignified sanitation.

Access to Sanitation	Households
Flush toilet connected to a public sewerage system	1.25%
Flush toilet connected to a septic tank or conservancy tank	1.52%
Chemical toilet	15.32%
Pit latrine/toilet with ventilation pipe	48.50%
Pit latrine/toilet without ventilation pipe	13.75%
Ecological toilet (e.g., urine diversion; envirolo; etc.)	3.71%
Bucket toilet (collected by District Municipality)	3.02%
Bucket toilet (emptied by household)	1.67%
Other	8.81%
None	2.45%

The greatest challenge facing the rural sanitation programme is identified as how to deal with the emptying of full pits in a hygienic and cost-effective manner. This is a national challenge that requires careful consideration and management.



Source: Stats SA Community Survey 2016

5.3 Electricity

The main supplier of electricity in Umzumbe Municipality is Eskom. The majority of electricity problems are of a localised nature, since major capacity problems in UGU have been addressed about ten years ago through the construction of major infrastructure.

Localised problems are stated as being a result of 'Electrification for All' programme:

- Two high voltage power lines running in a northeast to south-western direction parallel to the coastline, including high voltage substations along these power lines
- Medium voltage power lines traversing the municipal area, including several medium voltage substations

According to Eskom, the current backlog in terms of access to electricity currently stands at 12094 households. This includes 5480 green fields and 6614 infills. The former refers to areas where Eskom has not previously installed any Infrastructure, while the latter refers to areas where there is existing infrastructure but some of the households are not connected. An access to electricity within Umzumbe Municipality has increased from 49% in 2011 to 67% in 2016, which is an increase by 8%. On the year 2024, Umzumbe Municipality has increased to 77% on electricity access.

As per the Eskom Network planning report, the Municipality has pinpointed regions where electricity coverage is not a constraint. Some areas are already linked to the electricity grid and are currently powered. This project has successfully generated employment opportunities for the local community.

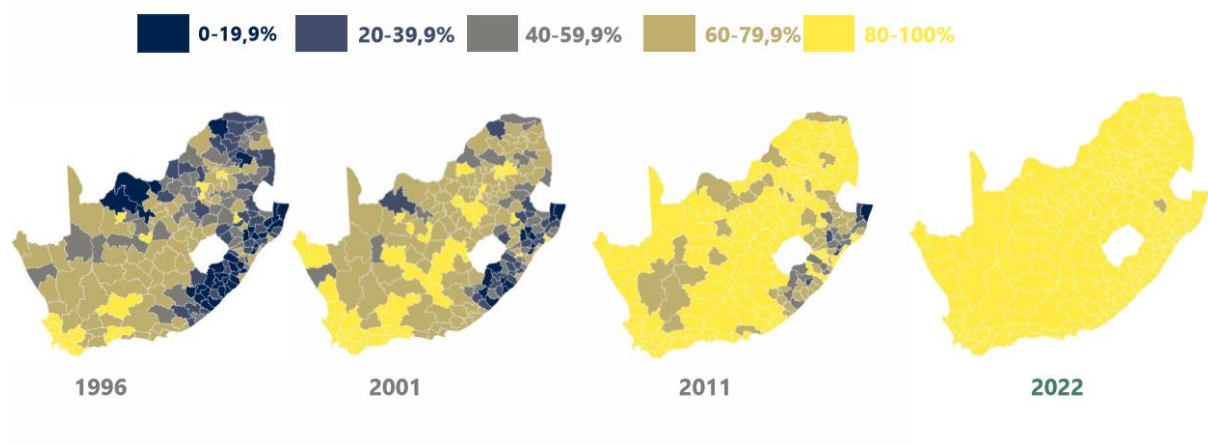
The Municipality typically encounters challenges such as theft of infrastructure cables and unauthorized connections within local neighbourhoods. To address the lack of electricity in greenfield areas, the Municipality has introduced the Fire Gel system. In these areas where there is no existing electricity infrastructure, the Community Services Department regularly supplies a liquid gel. Additionally, the Municipality distributes electricity tokens to disadvantaged households and pensioners.

The Energy Master Plan is reviewed every five years in line with the 5-year Municipal IDP review and with the new Council elective term. The Municipality receives a grant from DMRE and COGTA aimed at providing electricity connections to household without electricity.

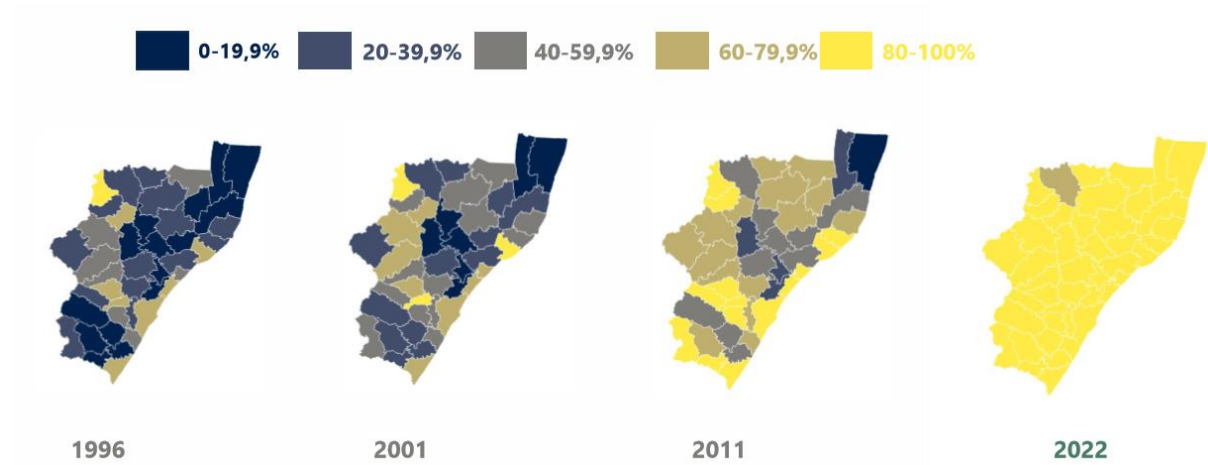
Current and completed Electrification Projects from year 2023/2024

Project Name	Ward	Budget	Connections	Status
Electrification of Mbonje Phase 3	13	R13 272 620.79	422 households' connections	95%
Power Faith	17	R 8 400 000.00	208 households' connections	Complete
Sunduza	1	R 7 468 434.59	214 households' connections	76%
Phungashe	4	R 8 000 000.00	320 households' connections	50%

From a national perspective, access to electricity for lighting in South Africa went from 58,1% in 1996 to 94,7% in 2022. A large portion of KZN has at least 80% access to electricity, the only portion of the province with 60-79.9% is Emadlangeni which stands at 72.1%. Umzumbe Municipality improved from the 40-59.9% category in 2011 to the +80% category in 2022.



Source: Stats SA (2022)



Source: Stats SA (2022)

Table indicating performance for the 2022/23 and 2023/24 financial years

Electricity Service Policy Objectives Taken From IDP						
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
Universal Access to Basic Services	Electrification of households and Street lights	823	324	740	283	

Table indicating dedicated personnel responsible for electricity services in the 2023/24 financial year

Employees: Electricity Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

Table indicating Capital Expenditure for electricity services during the 2023/24 financial year

Capital Expenditure Year 2024: Electricity Services R' 000					
Capital Projects	Year 2024				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				0%	
Electrification of Mbonje Phase 3	R 13 272 620.79	R 1 272 620.79	R0.00	N/A	N/A
Power Faith	R 8 400 000.00	R 8 400 000.00	R 7 669 884.06	N/A	N/A
Sunduza	R 7 468 434.59	R 7 468 434.59	R 7 468 434.59	N/A	N/A
Phungashe	R 8 000 000.00	R 8 000 000.00	R 6 167 027.05	N/A	N/A

5.4 Waste management (Refuse collection, waste disposal, street cleaning and recycling)

Waste management services are provided through the use of skip bins that are placed at strategic positions within Umzumbe LM jurisdiction.

The Municipality has identified areas where there is a huge need of waste removal and to comply with the Integrated waste management plan of the District, Province and National Department of Environmental affairs with IWMP (Integrated waste management plan). Waste collection and disposal, Umzumbe municipality has a service provider contract per financial year for collections and disposal of waste. Over and above that the municipality has an SLA (Service level agreement) with the sister Municipality in our district “Umdoni Local Municipality” to assist with the removal and disposal of skip beams per week on the four identified strategic positions that consist of high waste generation. This programme is targeting over 7800 families plus 1900 individual waste generators. The waste collection programme has created several Job opportunities within our Municipality The table below indicates the programmes and projects set out in the IWMP for the years to come.

Project Name	Ward	Progress
IWMP review	All Wards	To be done in the coming financial years
Waste Management Bylaws	All wards	Awaiting Council adoption
Development of Recycling station	TBC	To be done in the coming financial years after all studies requires assessment has been conducted.
Procure Skip Loader Truck	All Wards	Budgeted
Procure Crew Cab Truck	All Wards	Budgeted
Waste Management Unit	TBC	In progress (20 waste management general workers recruited)
Awareness campaigns	All Wards	In progress
Street swiping	All Wards	In progress
Procure more skip bins	All Wards	To be done in the coming financial years
Landfill Site	TBC	To be done in the coming financial years

The municipality has embarked on an initiative to recycle solid waste through putting dustbins with categories of waste. Due to the rural nature of the municipality, skip bins have been placed in most polluted areas and collect waste on a weekly basis as tabled below:

PLACE	WARD	DURATION
Khomo Brothers (2)	Ward 10	Weekly
Thuthwini Taxi Rank	Ward 10	Weekly
St Faiths	Ward 2	Weekly

The Unit had an annual target of conducting 384 skip bins collections and was able to collect a total of 543 collections during the 2023/24 financial year.

Table indicating Solid Waste services Delivery Levels during the 2023/24 financial year

Waste Management Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Universal Access to Basic Services	Solid Waste / Refuse removals	200	202	200	200	200

Table indicating Waste Management Employees during the 2023/24 financial year

Employees: Solid Waste Management Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	19	1	5.26%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	21	23	21	1	0%

Table indicating Waste Management Expenditure during the 2023/24 financial year

Capital Expenditure Year 0: Waste Management Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R900 000	R900 000	R629 500	30%	
Solid Waste Collection	R 900 000	R900 000	R629 500	30%	R629 500

5.5 Housing

The Municipality is a deep rural Municipality, and it uses the rural instrument in term of housing development for example: the in-situ upgrade instrument, where the beneficiaries are not relocated but their existing homesteads are upgraded. The wards of Umzumbe Local Municipality are divided into 5 cluster, and funding to implement housing projects is from the Department of Human settlement. During the 2022/23 financial year the municipality undertook a process of reviewing the municipal Housing Sector plan. Furthermore, in the following financial year the municipality will be reviewing its Housing Sector Plan to provide guidance for housing opportunities within the municipal jurisdiction.

The Municipality constructed a total of 1862 housing units. There is a land right agreement with Ingonyama Trust Board, in areas that are privately owned it becomes a problem to build houses as stipulated in the policy document because of such we only built on Ingonyama land. The Municipality is engaging with the state land ownership to enter into a development right agreement for other programmes of housing development.

The housing projects are only depended on the allocation of funds from the Provincial Department of Human Settlement funding allocation per financial year. The challenge is that Umzumbe local municipality has a huge demand on housing development but funding allocation per financial year are limited. Implementation of housing projects at Umzumbe LM is documented on the IDP and the forward planning is for a five-year period.

Ward No	Name of Project	Project Status
	Mbonje PHASE 3: 442 HOUSEHOLDS CONNECTIONS	• 50% Construction Progress • Preliminary design completed • Detailed design completed • Site establishment completed
	Construction of 100 houses in Cluster C: Phase 1	• Sites Visited – 984 • Sites pegged – 984 • Platforms Cut – 852 • Slab Poured – 860 • Wall Plates constructed – 810 • Roofs constructed – 767 • Completions – 975 • Electricals – 734 • Aprons - 512
	Construction of 75 houses in Cluster B: Phase 3	• Sites Visited – 984 • Sites pegged – 500 • Platforms Cut – 500 • Slab Poured – 853 • Wall Plates constructed – 712 • Roofs constructed – 679 • Completions – 619 • Electricals – 500 • Aprons – 216 • VIP- 135
	Construction of 75 houses in Cluster A: Phase 2	• Sites Visited – 288

		• Sites pegged – 288 • Platforms Cut – 288 • Slab Poured – 279 • Wall Plates constructed – 279 • Roofs constructed – 198 • Completions – 102 • VIP - 127
	Construction of 75 houses in Cluster D: Phase 2	• Platforms Cut – 300 • Slab Poured – 300 • Wall Plates constructed – 300 • Roofs constructed – 300 • Completions – 300 • VIP - 300

Table indicating Percentage of Households in receipt of Housing during the 2023/24 financial year

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	2000	2000	100.0%
Year -2	1000	1000	100.0%
Year -1	1000	1000	100.0%
Year 0	1996	1996	100.0%

Table indicating Strategic objectives and financial year comparisons of the 2023/24 financial year

Housing Service Policy Objectives Taken From IDP				
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		
		Target		Actual
		*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective				
Universal Access to Basic Services	Facilitation and project management of rural housing development	380	385	280

Table indicating Human Settlements Unit employees during the 2023/24 financial year

Employees: Housing Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

Component B: Road Transport

5.6 Roads

The Umzumbe Municipality has developed and adopted an Infrastructure Master and Maintenance Plan (2022/2023) for the development and maintenance of road infrastructure within the municipal jurisdiction. The objectives on the plan are as follows:

- To ensure the unlocking of economic development opportunities
- To address and redress the socio-economic needs of the municipality.
- To foster balanced and equitable economic development.
- To integrate human settlements with economic development.
- To promote infrastructure development and integration thereof
- To promote job creation.

The road infrastructure within Umzumbe Local Municipality is categorised in terms national roads (N2), provincial (P69, P73), District (D958) and local authority roads. The Provincial Department of Roads and Transport is responsible for 576.315 km of road network within Umzumbe Local Municipality and as of 2009, about 164.783km of these roads are surfaced while 419.246km are unsurfaced (Umzumbe LM Infrastructure Master Plan, 2009). The Umzumbe Local Municipality is responsible for local roads, which are divided into three different categories in accordance with the Department of Transport.

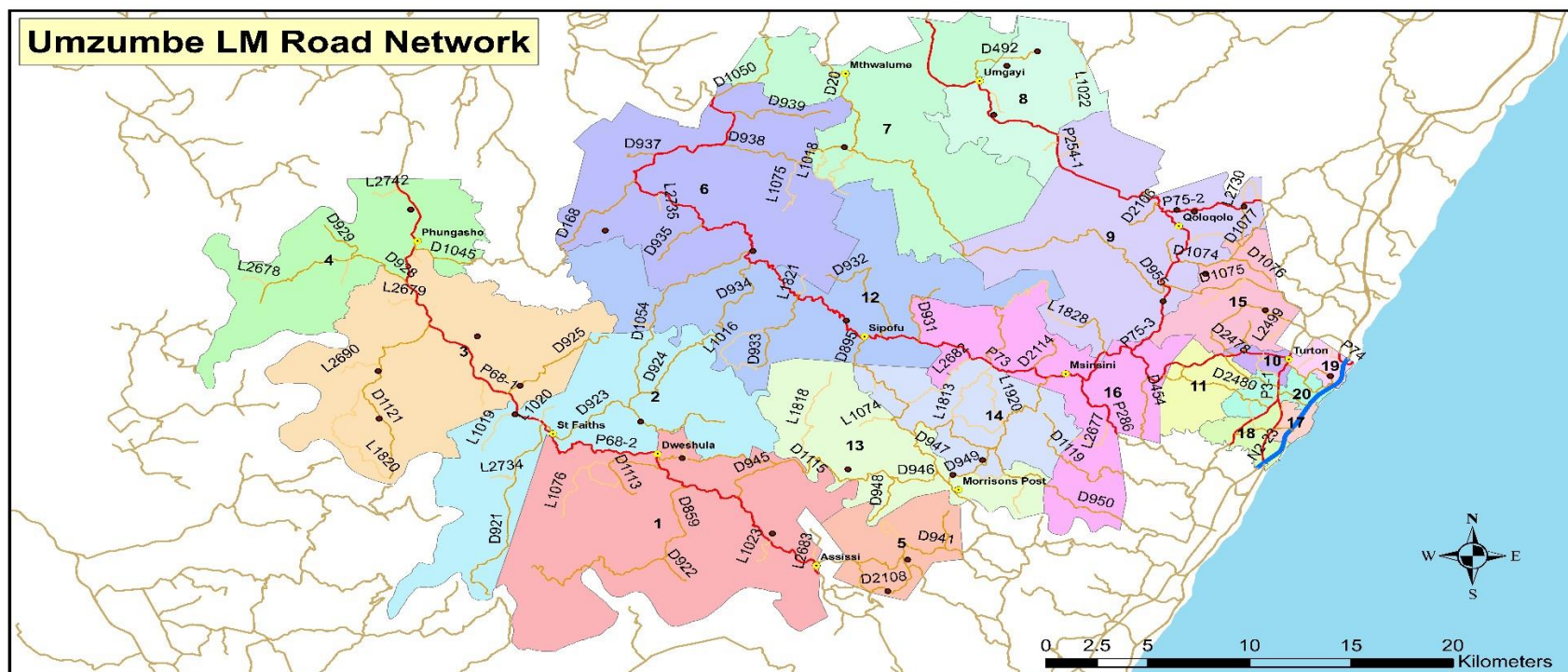
The municipal roads programme was informed by the projects identified during the Public Participation events, Umzumbe Capital Expenditure Framework and Infrastructure Master Plan wherein they were prioritized and included in the IDP document as a planning tool.

Umzumbe Municipality has maintenance programme for the roads constructed using the municipal Plant which has been acquired to ensure proper maintenance and utilization of the municipal roads.

The Infrastructure Master Plan was reviewed for 5-year implementation adding new proposed projects together with maintenance plan. The plan is reviewed every five years in line with the IDP Review.

An extensive road network exists in Umzumbe, providing many households with access to road transport. An analysis of the road infrastructure (Department of Transport) reveals that 67% of households in Umzumbe are within 1km of a national, provincial or district road. In addition, based on road class and location of taxi ranks, 92% of households are within the service delivery standard of roads. The total road network in Umzumbe consists of a total length of 2595km of road. This includes a hierarchy of roads, ranging from a national road to local access road/tracks. The majority of road surface is gravel (85.5%), with only 11.5% of roads having a blacktop surface.

Transport Network Map



UMZUMBE
MUNICIPALITY

Umzumbe Local Municipality
Department: Development Planning
Tel: 039 872 0005
Fax: 039 972 0099

Legend

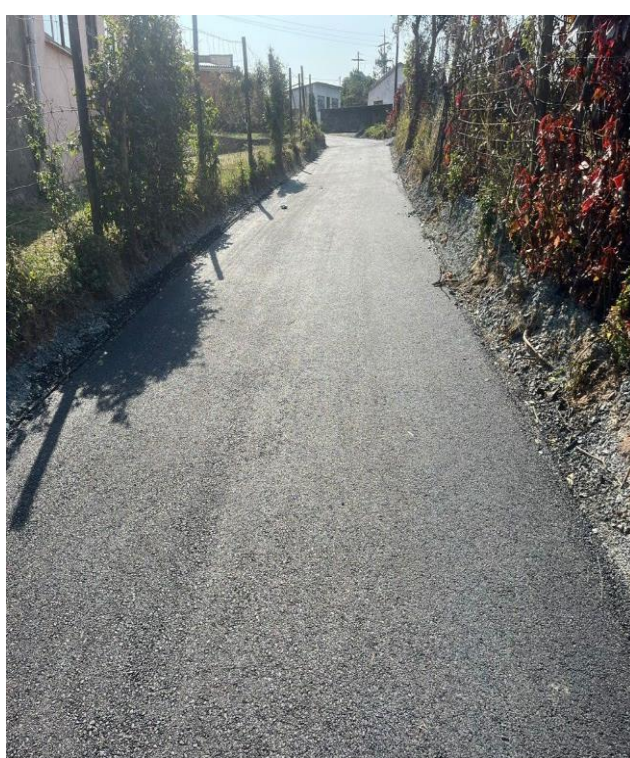
- Community_Halls
 - SDF_Nodes_Legend
 - External_Roads
 - National Road
 - Provincial Road
 - District Road
 - Local Road
- | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|
- Indian Ocean

The Municipal Technical Services Department had the following infrastructure projects, planned in the previous financial year.

Project Name	Annual Target	Annual Actual	Expenditure
Mzukhwane Access Road	20% Construction Mzukhwane Access Road (Construct 2.2kms of new access road)	Target Met: 45% Construction progress	R11 459 260.18
Indoor Sports Centre in Ward 12	5% Construction Indoor Sport Centre Cluster B	5% Construction Indoor Sport Centre Cluster B	R 5 187 608.53
Construction of Old Clinic Asphalt Road Ward 10	10% Old Clinic Road (Construct kms of new 2.4km access road)	Target met 36% construction progress achieved.	R 3 591 015.99
Construction of Mcindo Asphalt Road in Ward 1	Tender stage	Target met: Tender stage designs and contract administration completed	R 728 546.59
Construction Hlokozi Sports Field Ward 6	5% Construction of Ward 6 Sportsfield	Target met 16% construction progress achieved.	R 4 231 934.06
Phungula Access Road	100% Construction Phungula Access Road (Construct 0,5kms of new access road)	Target Met 100% Construction of Phungula Access Road	R2 092 240.81
Construction of LIC roads	Phase 1: 20% Construction of LIC roads (Sokudla; Sokhela W-07 (1.6km) ; Nkobeni W-08 (1km); Mgorha W-09 (2.3km); Thaskweni W-02 (3.5km); Chibini W-04 (3.2km); (Selesele W-03 (1km); Mfuleni W-10 (0.6km)	Target not met 13% overall construction progress achieved. 5% of construction achieved in Mgorha road including the 100% achieved for Mfuleni road.	R 2 395 694.51
Construction of Frankland Hall	100% Completion (Construction of Frankland Hall)	Target Achieved: 100% construction of Frankland Hall	R 799 619.23



Photos: Umzukhwane Road Ward 09





Photos: Construction of Old Clinic Asphalt Road Ward 10



Photos: LIC Road Construction (Mgogha road, ward 09)

Table indicating Gravelled Road Infrastructure during the 2023/24 financial year

Gravel Road Infrastructure					Kilometres
	Total roads	gravel	New gravel roads constructed	Gravel roads upgraded to tar	Gravel graded/maintained roads
Year -2	197		5	0	214
Year -1	199		7	2	229
Year 0	207		8	2	320

Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
Service Indicators		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective xxx						
Universal Access to Basic Services	Construction and maintenance community access roads	13.1	2.9	13.1	30.12	13.32

Table indicating employee structure during the 2022/23 financial year

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	11	8	3	27.27%
4 - 6	0	0	0	0	0%
7 - 9	1	0	0	0	0%
10 - 12	5	5	0	0	0%
13 - 15	1	1	0	0	0%
16 - 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	15	17	8	3	17.65%

5.7 Transport (Vehicle Licensing and Public Bus Operation)

RAIL TRANSPORT

The only railway line within Umzumbe is along the coastline. This South Coast railway line runs from Port Shepstone to Durban and forms part of the Durban- Kelso- Port Shepstone- Simuma Secondary Main Line. It was intended to develop agriculture in the lower South Coast (sugarcane cultivation) and Banana Express Rail however, the rail is dysfunctional. Traffic has however declined dramatically on this line in recent years, as road deliveries have increased. The south coast railway line was intended to be for agricultural and tourism purposes to be use by PRASSA as far as Port Shepstone. It should be note, no commuter services are offered south of the three stations that form part of the metropolitan rail system serving the Ethekeini area. These stations include Kelso, Park Rynie and Scottburgh, all of which are located to the north of Umzumbe. However, there are talks between the Umzumbe Municipality, Ray Nkonyeni Municipality and PRASSA oh how to revive the railway line for commuters as well as agricultural and tourism activities.

TAXI TRANSPORT

Public transport operations in Umzumbe are geared to move people out of the area to places of work or shopping facilities. This can be ascribed to the rural nature of Umzumbe, combined with the settlement pattern and the lack of a hub or major town. The result of the settlement pattern is that people have to travel long distances to access certain services, causing underutilised operator vehicles on most routes. Public transport routes vary according to the taxi rank, and include the following routes;

Destination			Km	Trips	Utility %	Registered Vehicles
Mthwalume Taxi Rank	Port Shepstone		27	40	72	32
	Scottburgh		27	2	100	2
	Umzinto		21	24	105	22
	Hibberdene		7	29	39	19
	Qwabe		13	3	93	2
Morrison Taxi Rank	Kwahlongwa		4	10	47	6
	Magoge		9	35	65	27
	Port Shepstone		17	9	118	8
St Faiths Taxi Rank	Durban		106	4	77	4
	Highflats		27	63	43	39
	Ixopo		41	1	11	1
	Port Edward		53	15	75	13
	Port Shepstone		32	28	61	26
Dweshula Taxi Rank	kwaDweshula		-	4	50	2

Destination		Km	Trips	Utility %	Registered Vehicles
Kwanogoduka Taxi Rank	Durban	77	3	80	3
	Umzinto	25	9	82	9
Mswilili Taxi Rank	Durban	96	2	51	2
	Port Shepstone	19	5	90	5
Nhlanhleni Taxi Rank	Durban	75	1	100	1
	Umzinto	18	15	100	12

Transport Routes

Source: Ugu Transport Plan, 2007

Evident from the above table, is that one of the main routes originating from almost all of the taxi ranks, are the routes to Port Shepstone. This confirms the tendency that transport routes move people out of the area to larger urban centres where varieties of services are on offer. The Ugu Public Transport Plan identifies seven taxi ranks serving the population of Umzumbe. The majority of these taxi ranks are of an informal nature and have no amenities. The location of these ranks is along main routes, providing a central pick-up or drop-off point to communities. However, this requires commuters to have to walk to and from the taxi ranks. The following associations are primarily based at the following ranks:

- Bekezela Taxi Owners Association at St Faiths taxi rank;
- Umzumbe Taxi Owners Association at the Morrison Taxi rank;
- Mtwalume Taxi Owners Association at the Mathulini Mall; and
- Mgai Taxi Association at Mgai taxi rank

Furthermore, bus shelters have been proposed by the Umzumbe taxi associations on some of the major taxi and bus stops around Umzumbe. This is to ensure that the well-being of the commuters is prioritised and their needs are met.

BUS TRANSPORT

There is only one subsidized bus operator in the Ugu district, namely Ugu Bus Transport. The Ugu Bus Transport, service the Nhlabwane, Assissi Mission and the surrounding areas to and from Port Shepstone on the western side. Furthermore, Ugu Bus Transport service Ndelu, Mathulini and the surrounding areas to and from Port Shepstone.



Photo: Mode of Public Transport in Umzumbe

5.8 Waste (Storm Water Drainage)

The Municipality had formal storm water drainage system installed during the construction of municipal access roads.

Stormwater Infrastructure Kilometres				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	0	0.3	0.3	0.1
Year -1	20	7.0	5.0	3.0
Year 0	20	15	8	20

Table indicating Stormwater Infrastructure during the 2023/24 financial year

Employees: Electricity Services					
Task Grade	Year -1 Employees	Year 0			
	No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

Component C: Planning and Development

Introduction to Development Planning and Local Economic Development

Umzumbe Local Municipality processes development applications in terms of the Spatial Planning and Land Use Management Act, 2013 2 (Act No 16 of 201). The SPLUMA bylaws were adopted by council and Gazetted to assist the municipality in implementing the SPLUMA legislation. The Umzumbe Wall-to-Wall Land Use Scheme was adopted by council as well as gazetted in the Provincial Gazette.

The Umzumbe Wall-to-Wall Land Use Scheme will assist the municipality in:

- providing develop land use management systems in line with the Spatial Planning and Land Use Management Act principles;
- incorporate indigenous/traditional methods of land use allocation and land use;
- priority's Environmental and sector plans (e.g. coastal, flood lines, biodiversity); and
- Identify areas in need of environmental protection.

The Municipal Planning Tribunal was established in terms of Section 35 of SPLUMA, with the municipality opting for a Joint Municipal Planning Tribunal with Umdoni Local Municipality. The Manager: Development Planning is delegated as the Municipal representative in the Tribunal as well as Authorized Officer furthermore, the Development Planner is also delegated as the Municipal representative in terms of Section 35(2) of SPLUMA. The Tribunal sits on a monthly basis or based on the applications referred to the Tribunal to assess and make informed decision on the application from the Northern Municipalities and currently there are six (6) external members and eight (8) internal members for the Umdoni-Umzumbe Joint Municipal Planning Tribunal.

In terms of physical planning and economic development of Umzumbe Local Municipality, the provincial development corridors offer an opportunity for densification and investment concentration along these corridors (N2, R102 and P68, P73). The Provincial SDF guidelines make reference on the importance of ensuring that the Densification Framework is reflected on the Municipal Spatial Development Framework.

5.9 Development Planning

The Development Planning Section is responsible for the development and implementation of Integrated Development Plan, Organizational Performance Management System, Spatial Development Framework, Geographic Information System as well as Building Inspectorate. The preparation of the Five Year (2021/2022 – 2026/2027) Integrated Development Plan (IDP) of the municipality was an integrated participatory process that began July 2020 with the development of the IDP/Budget/PMS process plan following which the process plan was presented in the Top Management Committee, Planning Portfolio Committee, Executive Committee, IDP Representative Forum and Council. Members of the Community were

afforded an opportunity to comment on the Plan through local newspapers and the municipal website. It was followed by annual reviews each financial year in the 5th generation as per section 34 of the Municipal Systems Act No. 32 Of 2000. The municipality has been able to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan during the 2023/24 financial year.

A total of five mayoral Izimbizo were held on October 2023, within and around the municipality taking a clustered approach in the participation of the community. Councillor B.G. Nyuswa gave report backs on completed projects to the community, and on the planned projects from the previous financial year.

The municipality owns 0% land, close to 40% of the land falls under Ingonyama Trust Board with approximately 35 % of land under private and government departments. This poses a challenge to the municipality in so far as the enforcement of the laws is concerned.

Attracting investment is a challenge but it can be unlocked through proper settlement planning, zoning of areas to assist in land management as well as environmental conservation. A large portion of the population lives in poverty and depends on social grants this needs to be addressed in order to improve the quality of life for all. Lack of sufficient infrastructure such as electricity and water supply is hindering the development and sustainability of economic activity in the sense that it does not boost investor confidence.

Table indicating Development Applications processed.

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	-	0	0	0	0	0
Determination made in year of receipt	-	0	0	0	0	0
Determination made in following year	-	0	0	0	0	0
Applications withdrawn	-	0	0	0	0	0
Applications outstanding at year end	-	0	0	0	0	0

Table Indicating Development Plan conducted in 2023/24 FY.

Plan	Achieved/ Not Achieved
Installation of Phungashe Street Lights Phase 1	Achieved
Umzumbe IDP by 30 June 2023	Achieved

Land Use Management Scheme Review by 30 June 2024	Achieved
Reviewed SDF by 30 June 2023	Achieved
High Mast Feasibility Study & Implementation Plan by 30 June 2024	Achieved
Feasibility Study: Contingency Energy Sources by 30 June 2024	Achieved
Street Light Plan for St Faiths & Mehlomyama by 30 June 2024	Achieved
Street Light Extension Designs for Turton, Cluster A (R102, D954, P73) by 30 June 2024	Achieved

Table Indicating Vacancy rate for Planning.

Employees: Planning Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 – 12	3	3	3	0	0%
13 – 15	1	1	1	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	4	4	4	0	0%

Table indicating total number of applications received in the 2022/23 financial year

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0	0	0	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

5.10 Local Economic Development

Introduction to Economic Development

Local Economic Development (LED) is an outcome, based on local initiative and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. The Municipality has commenced with the reviewal process of the LED Strategy to assist realize the full economic potential of Umzumbe and attracting investment.

The Unit realizes that LED is an ongoing process, rather than a single project or a series of steps to follow. LED compasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs in that community.

The following are the priority areas for service delivery in LED:

- SMME's and Cooperative Development
- Arts and Craft Development
- Arts and Culture
- Agriculture and
- Tourism

The strong emphasis on empowering women is hoped to boost this sector due to the resilient nature and being on the receiving end of poverty of women as opposed to men. Cooperatives and SMME support are programmes offered by the municipality to resolve the inequality problem experienced by previously disadvantaged communities with the Municipality. In boosting tourism, the municipality has in the past financial year committed to developing Ntelezi Msane Heritage Site.

The other tourism areas within Umzumbe Municipality are the Msikazi Mountain, Sipofu Mountain, Umthwalume Mission Cluster, Sivivane Sika Shaka, Prophet Isaiah Shembe's Mission Centre, Gobhela Arts and Crafts Centre, Turton Beach, Itshe la Maria Stone, Source of Umthwalume river, Umzumbe River trail, Initiation of Traditional Healers Place, KwaNdelu Landscape and Bhekumesiya (Shembe) Village.

The unit is responsible for all the activities associated with economic development initiatives such as, Agricultural Development Programme, Co-operatives Development, SMME Development, Tourism Development, Arts and Culture and Arts Performance Development Programme set out to improve the key performance areas.

The municipality has embarked on three economic sectors namely Primary, Secondary and Tertiary sectors of the economy presenting an opportunity engagement to develop economic

activities that are balanced and sustainable.

SMME Development

This is a programme that helps develop small businesses that are registered as close corporations. The LED Unit updates the SMME's database regularly. SMME's training is provided in partnership with provincial government departments.

Co-operatives Developments

This programme assists cooperatives in Umzumbe to develop through financial relief by providing inputs, training and mentorship.

Arts and Craft Development

Individuals and Cooperatives are provided with soft and technical skills, which they will use to generate income and as a different intervention to poverty alleviation. Within the selected areas individuals are trained and then encouraged to form a business entity for trading.

Informal Economy

The programme prioritises local informal businesses with trainings and fundings

Agriculture Support Programme

The programme focuses on identifying agricultural projects that will be able to stimulate economic development and assist project beneficiaries with relevant inputs.

Tourism Development

This programme is focusing on identifying tourism opportunities and nodes that have potential for promoting tourism and develop them into packages while assisting beneficiaries in doing feasibility celebration events. One of the objectives to this project is to restore and preserve local history and cultural development.

Table indicating total number of EPWP jobs created in the 2023/24 financial year

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
Year -2	3	100
Year -1	5	220
Year 0	21	60

Table indicates Plans conducted by the LED Unit during the 2023/24 FY

Policy	Achieved/ Not Achieved
Ntelezi Msane commemoration: Visual platform	Target Achieved
Architectural, Artistic impressive & engineering designs for tourism assets	Target Achieved

Intellectual rights of profiling of tourism sites feasibility study (Phase 2)	Target Achieved
Industrial Park feasibility study	Target Achieved
Professionalise incubation programmes by partnering with established incubation Hubs; 4 Business audit reports	Target Achieved
Automotive centres (Fitment centres) Feasibility study	Target Achieved
Performance Arts (Music): Ultra Live Music Experience	Target Achieved
Feasibility study for Agri-processing Plant	Target Achieved
Supporting 5 community gardens: Fencing of 3 gardens and installation of irrigation system on 2 gardens	Target Achieved
Upscaling the robust Agricultural initiatives (Farming Tunnel)	Target Achieved

Table indicates the Local Economic Development Unit Employee structure for the 2023/24 financial year

Employees: Local Economic Development Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	2	66.66%
13 - 15	0	1	0	1	100%
16 - 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	5	7	5	5	71%

Table indicating Capital Expenditure during the 2023/24 financial year

Capital Expenditure Year 0: Economic Development Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Incubation Program: SMME's Development	R5 750 000	R 5 750 000	R 5 750 000	0%	R5 750 000
Supporting Community Gardens	R 1 267 800	R 1 267 800	R 649 870	49%	R 649 870
Ntelezi Msani Memorial	R 225 000	R 225 000	R 323 500	44%	R 323 500

Component D: Community and Social Services & Fire Fighting Services

5.11 Libraries; Archive's, Museums, Galleries, Education, Community Facilities; other

The Social and Community Services Department is responsible for the maintenance, administration and development of community facilities. The municipality has 29 community halls, 74 sport fields and 2 unregistered cemeteries. Out of the 74 sportfields, only 44 were maintained by the municipality in the 2023/24 financial year and the municipality is in the process of formalising the 2 unregistered cemeteries. During the 2022/23 financial year, the municipality commenced the construction of Frankland Hall in ward 5 and was completed in the 2022/23 financial year.

Library Facilities

There are no public libraries within Umzumbe Municipality. This has serious implications for students the public and general literacy within Umzumbe, since people have to travel to surrounding areas to access this facility. In terms of planning standards, at least one library should be provided for every 5000 -- 50 000 people. As such, at least three (3) libraries are required in Umzumbe.

The KZN Department of Arts and Culture in collaboration with the Umzumbe Municipality has committed to provide funding for the construction of a library development within the municipality. On 20 January 2023 a sod turning was conducted and site handover was done on 07 July 2023. Construction commenced on 21 July 2023 for a period of 18 months. The anticipated completion date is 10 September 2025.

Health Facilities

According to the Department of Health, Umzumbe Local Municipality has 1 Community Health Centre known as Mfundo Arnold Lushaba Community Health Centre, 13 Clinics and 3 Mobile Stopping Points. There is also a Health Post in Sleepwalk which currently functions as mobile point and Phila Mntwana site.

The department is faced with challenges such as

- Children under 5 years have low rate of clinic usage which is 3.9% against the target of 5%.
- An ever-increasing number of clients on ARTs which increased from 10430 to 10766 in a quarter.
- Below target condom distribution rate at 36.3% instead of 42%.
- Lower immunisation coverage of children below 1 year which is currently at 68.4%

instead of 95% target.

- PMTCT; 0.5% of babies tested HIV positive at 6 weeks, however this said to be very less than expected rate of 1.7%.
- Capital infrastructure projects were put on hold due to lack of funds.
- Low uptake of family planning
- Poor TB Screening
- Issues surrounding disclosure of HIV status among adolescents

Low density rural settlements are normally serviced using the 7000 people threshold. Their application within Umzumbe suggests that Umzumbe requires an additional 8 clinics. This backlog would however have to be analysed in more detail with focus on other localised context specific issues such as patient behaviour.

Education Facilities

According to the Department of Education's database, there are 139 schools within Umzumbe Local Municipality. Of these schools, 96 is primary, 39 secondary, and 4 combined. According to the Education demarcations, the schools are placed into five (5) education circuits namely Dweshula, Highflats, St Faiths, Turton, and Umzumbe.

It is reported that one (01) school have closed down due to low learner enrolments. In terms of the policy of the department these were considered non-viable schools which resulted in educators and learners been relocated. The names of the schools that have closed are as follows:

- Dumuka Primary School

Various stakeholders have been consulted, and the schools will be officially closed by the MEC of education. An intervention is proposed by the municipality to turn these closed schools into FET colleges and centres of extended educational skills and development. However, the municipality is still yet to convene engagements with the Department of Education regarding this new and highly anticipated initiative.

Table indicating total number of employees under the cemeteries unit during the 2023/24 financial year.

Employees: Cemeteries and Crematoriums					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	20	20	1	5%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	23	22	1	4.34%

5.11.1 Child Care, Aged Care, Social Programmes

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	Year 0			
		Target			Actual
Service Indicators		*Previous Year	*Current Year		
(i)	(ii)	(v)	(vi)		(vii)
Service Objective xxx					
Support and protect the rights of vulnerable groups in the society	Implement Child programmes	2400 vulnerable children	R2 400		Target not Achieved
	implement Senior Citizens programmes	Golden Games	Target Achieved		Target Achieved
	Roll out HIV/AIDS programmes	Ward Aids Campaign	Target Achieved		Annual target was achieved
	Roll out Disability programmes	Disability Day	Target Achieved		Target Achieved

Component E: Environmental Protection

5.12 Biodiversity, Landscape (Incl. Open Spaces): and Other (EG Coastal Protection)

The municipality's Environmental Protection and Environmental Management focuses on sustainability, resource conservation and public health. The objectives of this sector include:

- ❖ Pollution Control – reduce air, water, and soil pollution through strict regulations and monitoring.
- ❖ Sustainable Resource Use – Encourage efficient use of water, energy and raw materials.
- ❖ Biodiversity Conservation – Protect local ecosystems, wildlife and green spaces.
- ❖ Climate Change Mitigation – Implement policies to reduce carbon emissions promote renewable energy.
- ❖ Community Education and Awareness – Educate residents about environmental best practices.
- ❖ Water Management – Ensure clean and sustainable water through conservation efforts.
- ❖ Landscaping – Increase tree planting, parks, and green infrastructure.
- ❖ Encouraging Community Participation – Educate and involve residents in environmental initiatives.

An Environmental Management Tool: The State of the Environment Project had begun to be developed in October 2023. The phases that have been conducted are Phase 1 to Phase 4:

- Phase 1 – Project Inception
- Phase 2 – Stakeholder Engagement
- Phase 3 – Issues and Themes
- Phase 4 – Indicators Report

Phase 5 – Draft SoER

Phase 6 – Final SoER

There are budget constraints that have hindered the continuation and completion of this project. However, this project will be further budgeted for in the next financial years.

The Environmental Management Unit participates in various platforms and plans with the neighbouring municipalities within Ugu District. Namely:

- ❖ Coastal Management Forums,
- ❖ Environmental Management Framework,
- ❖ Ugu Climate Change Strategy,
- ❖ Biodiversity Management Forums, and
- ❖ Air Quality Management Plan

The Municipality guided by the completion of the State of the Environment Report (SoER), will develop its own:

1. Environmental Management Plan
2. Coastal Management Plan
3. Biodiversity Management Plan
4. Estuarine Management Plan
5. Alien and Invasive Plants Management Plan
6. Air Quality Management Plan

Table Indicating School Environmental Management Campaigns conducted in 2023/24

Strategic Objectives	Strategies	Project Name	Annual Target 2023/24	Annual Actual 2023/24	Annual Target 2023/24
Efficient and integrated infrastructure and basic services	Universal access to Basic Services	Environmental Management Awareness Campaigns	10 Campaigns	Target Achieved	10 Campaigns

1. Bongucele Junior Secondary School - (Ward 19)
2. Hyman Primary School - (Ward 09)
3. Thembuzulu Secondary School - (Ward 08)
4. Lucas Memorial Primary School - (Ward 13)
5. Gobhela Primary School - (Ward 17)
6. Luthuli High School - (Ward 19)
7. Bhanoyi High School - (Ward 06)
8. Odeke Primary School - (Ward 13)
9. St. Faiths Primary - (Ward 03)
10. Isinamuva High School - (Ward 03)

Biodiversity Summary

Protected Areas	Terrestrial Ecosystems	Freshwater Ecosystems
NSBA Category <i>Mehlomnyama</i> <i>Provincial Nature Reserve</i> Size (ha): 162,5 ha Size (%): 0,13% 1 reserves covering 162, 5 ha (0, 13 %) Marine Protected Areas (MPA's) There are no marine protected areas adjacent to the Municipality.	Biomes <i>Indian Ocean Coastal Belt</i> Size (ha): 74338,2 ha Size (%): 59,05% <i>Savanna Biome</i> Size (ha): 51545,1 ha Size (%): 40,95% 2 biomes in the municipality covering 125883, 3 ha (100 %) Vegetation Types	Water Management Areas <i>MVOTI TO UMZIMKULU</i> Size (ha): 125884,9 ha Size: (%) 100% 1 Water Management Areas in the municipality covering 125884, 9 ha (100 %) Rivers: iFafa, Mtwalume, uMzimkhulu and uMzumbe.
Ramsar sites There are no Ramsar sites in the municipality.	<i>Eastern Valley Bushveld</i> Size (ha): 8107,4 ha Size (%): 6,44% <i>KwaZulu-Natal Coastal Belt</i> Size(ha): 73092,1 ha Size (%): 58,06% <i>KwaZulu-Natal Sandstone Sourveld</i> Size(ha): 3431,5 ha Size (%): 2,73% Ngongoni Veld Size (ha): 38988,4 ha Size (%): 30,97% Name: Scarp Forest Size (ha): 2228,4 ha Size (%): 1,77% Name: Subtropical Seashore Vegetation Size (ha): 35,6 ha	Estuaries: KwaMakosi, Mhlungwa and Mnafu: Temporarily closed estuary Wetlands 1 Wetlands in the municipality covering 681,8 ha (0,54 %)

Protected Areas	Terrestrial Ecosystems	Freshwater Ecosystems
	Size (%): 0,03% 6 vegetation types in the municipality covering 125883, 3 ha (100 %) Threatened Ecosystems (Critically Endangered) Name: Interior South Coast Grasslands Size (ha): 11776 ha Size (%):9,35% <i>Southern Coastal Grasslands</i> Size (ha): 248,6 ha Size (%): 0,2% 2 Critically Endangered Threatened Ecosystems in the municipality covering 12024, 7 ha (9, 55 %)	
	Threatened Ecosystems (Endangered) <i>KwaZulu-Natal Sandstone Sourveld</i> Size (ha): 1017,1 ha Size (%): 0,81% <i>Ntimbankulu Forest</i> Size: 714,8 ha Size (%): 0,57% 2 Endangered Threatened Ecosystems in the municipality covering 1731, 9 ha (1, 38 %) Threatened Ecosystems (Vulnerable)	

Protected Areas	Terrestrial Ecosystems	Freshwater Ecosystems
	<i>Eastern Scarp Forest</i> Size (ha): 655,9 ha Size (%): 0,52% <i>KwaZulu-Natal Coastal Belt</i> Size(ha): 41796,8 ha Size(%): 33,2% <i>Ngongoni Veld</i> Size(ha): 27196,1 ha Size(%): 21,6% <i>Pondoland Scarp</i> Forest Size(ha): 838,9 ha Size(%): 0,67% 4 Vulnerable Threatened Ecosystems in the municipality covering 70487, 8 ha (55, 99 %)	

Coastal Management

People in Umzumbe use the coastal environment for fishing, harvesting of marine animals and plants, and recreation. The municipality also identified the coast as a potential opportunity for promoting tourism. This resource must therefore be protected from harm to ensure that continued use of these resources can be guaranteed over time. An integrated coastal management approach means that the following features should be reflected spatially in the SDF and must be used to inform the desired patterns of land use.

The Coastal Management Strategy for Umzumbe should seek to achieve the following:

- Turton is an environmentally sustainable coastal settlement with resilient communities and a healthy marine and coastal environment that sustains tourism and sustainable livelihoods.
- Management of the small stretch of coastline in Umzumbe must receive priority in planning and development due to its inherent environmental sensitivity, vulnerability to coastal erosion and the extent of development pressure. An integrated coastal management approach in this area is required.
- Detailed spatial planning to delineate coastal features to be protected such as coastal public property, the coastal protection zone, coastal access land, estuaries, and critical biodiversity areas.

- Strategies to influence the land allocation system.

Programs aimed at protecting the Environment

The table below names the programs that aim to minimise waste and protect the environment.

Programme	Location	Description
1. EPWP: Waste and Greening	Umzumbe Municipality	This project focuses on waste minimisation and greening.
2. Environmental Education and Tree Planting	Umzumbe Municipality	The aim is to plant indigenous trees in schools and community halls. This is done especially to commemorate Arbour Day.
3. Environmental Education and Waste Management Awareness	Umzumbe Municipality	Capacitating the communities, schools and business sector on environmental issues through environmental awareness campaigns, school competitions and clean up campaigns
4. Operation Hlanz'Umzumbe	Umzumbe Municipality	Clearing illegal dump sites scattered around Umzumbe Municipality jurisdiction.
5. Flood Mop – Up Campaign		This is a project from the Department of Forestry Fisheries and Environment. It aims to protect the environment through waste minimisation by clearing of illegal dumping sites, street cleaning, clean up campaigns and awareness initiatives.
6. Municipal Clean-Up Campaign	Umzumbe Municipality	This is a project from the DFFE. It aims to protect the environment through waste minimisation by clearing of illegal dumping sites, street cleaning, clean up campaigns and awareness initiatives.
7. 1000 Waste Jobs	Umzumbe Municipality	This is a project from the Department of Economic Development Tourism and Environmental Affairs (EDTEA). It aims to clear illegal dumping spots within the Umzumbe area.
8. Transformative River Management Programme	Umzumbe Municipality	This is a project from the Ugu Municipality which aims to clean river catchments and remove alien plants.
9. Source to Sea Programme	Umzumbe Municipality	This project is headed by the Ugu Municipality which aims to clear the coastal strips.

Component G: Security and Safety

5.13 Free Basic Services and Indigent Support

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the Indigent support policy with an objective to dignify the quality of life of these households.

This Indigent support policy provides guidelines and procedures in terms of the implementation of these programmes and initiatives to address the challenges of poverty. In terms of the support given to the impoverished communities, the municipality has updated its indigent policy and provides free basic services across the spectrum. Indigent policy was adopted by council, advert was issued for community members to apply to be part of the indigent register. The indigent register is being reviewed annually.

The table below indicates free basic services provided by the municipality together with the municipal performance during the 2023/24 financial year:

Project Name	Programme Description	Annual Target	Annual Actual
Dress a child Campaign	School campaign to provide uniform for 1000 identified indigent learners	Provide School Uniform to 1000 vulnerable children	Target Not Achieved
Free Electricity Tokens	4 quarterly reports were compiled	4 quarterly reports were compiled of households that had bought electricity and then received free electricity tokens (monthly)	Target Achieved: Claims Report on Tokens Distributed was compiled
Cooking gel and stove Provision	Free Alternative Energy	Provide cooking gel and stove to 130 Households per Quarter	Target was Achieved: 130 Indigent Households Provided with Gel & Stoves
Indigent support	4 indigent support reports were compiled.	4 Indigent support reports	Target Achieved: 4 Indigent Relief Support Reports

The Social & Community Services Department is committed in ensuring the implementation of the adopted strategies of children programmes, provision of free basic electricity, agriculture and poverty alleviation. In the 2022/23 financial year the Department had planned to implement the projects and programmes as shown in the table above, Dress a Child, Free Basic electricity provided in the form of tokens, gels and stoves and indigent support.

5.14 Police

There are three police stations with Umzumbe Municipality with a ratio of 1:1 063. The police stations are located at Msinsini, Mehlomanyama and St Faiths. Community policing forums have been set up throughout the municipal area. Although located outside the Municipal area of jurisdiction, Hibberdene and Sawoti Police Stations also provide service to the area of Umzumbe.

According to planning standards, which requires one police station per 50 000 people, Umzumbe requires 3.5 police station and are within an acceptable range. By way forward, a new police station is proposed to be developed in ward 12, KwaNdelu.

There is a Magistrate's Court located within ward 20 and eighteen tribal courts. Tribal courts generally deal with civil cases. They are situated in the Thulini, Cele P, Cele K, Emandleni, Hlongwa, Mabhelani, Bhekani, Hlubi, Qoloqolo, Nhlanguwini, Qwabe N, Qwabe P Dungeni,

Bombo, Ndelu, KwaHlongwane, Nyavini and Izimpethu Zendlovu areas.

Planned Police Station at Ward 15 and Satellite at Mfundo Arnold Lushaba CHC. The Municipality commenced operations towards the establishment of the Municipal police and traffic services as part of measures to reduce social crime with the community of Umzumbe.

There are preparations for Hibberdene Police Station to extend its serviced and have a sub-station in the Qoloqolo area in ward 9. This will assist people of Qoloqolo who currently have to go via Umzinto then to Hibberdene if they need services, the police station will assist in decreasing the crime rate and better accessibility to the community.

It should be noted that, Hibberdene Police Station and Sawoti Police Station provide services to the people of Umzumbe Municipality. This is done to assist with main functions of law enforcement, order maintenance as well as the service functions.

5.15 Fire

Fire Fighting Services

According to ward-based risk assessments and monthly work reports fires (both veld and structural) are a common problem in Umzumbe. These are reported in all wards and causes are mainly candles that are left unattended and illegal connection of electricity. Fire is destruction to property, livestock and cause human fatalities. These fires occur throughout the year with of course increased number in winter.

Umzumbe has made strides in terms establishing its own fire-fighting services. Since 2009 the municipality had a shared service agreement with Umdoni and Ray Nkonyeni municipalities under the leadership of Ugu district municipality. The decision to pull out of shared services was made as the arrangement struggled with the minimal resources to cover the whole area of Umzumbe jurisdiction.

Umzumbe is in a process of establishing a Fire and Rescue Services Section, this came after the decision to withdraw from the Fire Fighting Shared Service Agreement that was between Umzumbe, Umdoni, Vulamehlo and UGU District. Umzumbe also developed its Disaster Management Fire & Rescue Sector Plan.

Fire Equipment

FIRE ENGINE	RESPONSE VEHICLE	BAKKIE SAKKIE	FIRE TRUCK
00	00	02	00

Umzumbe is in a process of establishing protection services which will enable the municipality to develop, review and enforce bylaws. This prohibits temporarily the inspections and other disaster incident preventative measures especially in cluster A with the developments and growing number of informal traders, also in cluster B where fire incidents mostly prevail.

5.16 Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other)

The Programs that were implemented this year were aligned with the key performance areas as stated in the act

- Institutional Capacity (Advisory Forums and engagement with stakeholders)
- Disaster Risk Assessments (The Disaster Management Plan)
- Disaster Risk Reduction (Awareness campaigns and early warnings)
- Response and Recovery (Distribution of relief material and reports were compiled for intervention of District and Provincial Disaster Management Centre's)

Below are the Disaster Management programs and projects that were planned in the 2022/2023 FY:

i. Programmes

Mitigation of Disasters in Municipal Events

The section has a big role to play in ensuring safety of community, principals and fellow co-workers during events that are hosted by the municipality and also giving advice in events that are hosted by other stakeholders within the jurisdiction of Umzumbe municipality. The section develops disaster management, floor and security plans to ensure that the events are free from incidents. The Disaster Management Practitioners worked tirelessly throughout the year in conduction thorough disaster risk assessments for all municipal community events that took place in the 2023/2024 FY.

ii. Animal Pound

The municipality has identified a challenge with stray livestock, which has caused inconvenience and at times road accidents for motorists on the road, and people's livestock when they share the same public spaces such as roads. The Municipality has therefore initiated a process of developing an animal pound that will not only assist residents of Umzumbe Municipality but also assist residents in neighbouring Municipalities. The municipality is building capacity and development of animal pound by-laws

iii. Disaster Management Plan and Feasibility Study for Disaster Management Centre

Umzumbe Development Planning Unit in collaboration with the Social Service and Community Services Department conducted the Disaster Management Centre: Feasibility Study. Umzumbe Local Municipality have a Disaster Management Plan (DMP) which was approved by relevant structures and finally adopted by municipality in 2018. The Disaster Management Plan is reviewed on an annual basis as per the legislation. The review process amongst other things, is to assist the local municipality in the identification of new projects, assist in reviews of existing projects. In the 2023/24 financial year Umzumbe Municipality has commenced with Environmental Impact Assessment studies to construct the DMC.

Awareness Campaigns

Five (5) awareness campaigns out of five (5) planned were conducted in the 2023/24 financial year. There were eight (8) fire awareness campaigns conducted by the fire-fighting section that relate for fire issues. These are conducted mainly in schools, Traditional Authorities and meetings of different stakeholders. There were also two (2) community awareness campaigns that are conducted by the Disaster Management Section on issues relating to disaster incidents. These were done strategically to highlight vulnerabilities of these particular areas and measures to prevent or mitigate those risks. Disaster Management section plays a coordinating role and invited stakeholders who are competent in different fields that needed to be addressed.

iv. Disaster Management Advisory Forum

Disaster Management Advisory Forum is meeting on a quarterly basis. This financial year the section held two (02) DM Advisory Forums out of the planned four (04) meetings. Stakeholders include the following departments (among others):

- Department of Human Settlement
- Department of Transport
- Department of Health
- Department of Home Affairs
- KZN Wildlife
- SASSA
- Department of Social Development
- South African Police Services (SAPS)
 - Hibberdene
 - Msinsini
 - Mehlomnyama
 - St Faith's
 - Sawoti
- Red Cross
- Umzumbe Fire and Rescue Services
- District Disaster Management Centre -
- Provincial Disaster Management Centre
- Department of Education

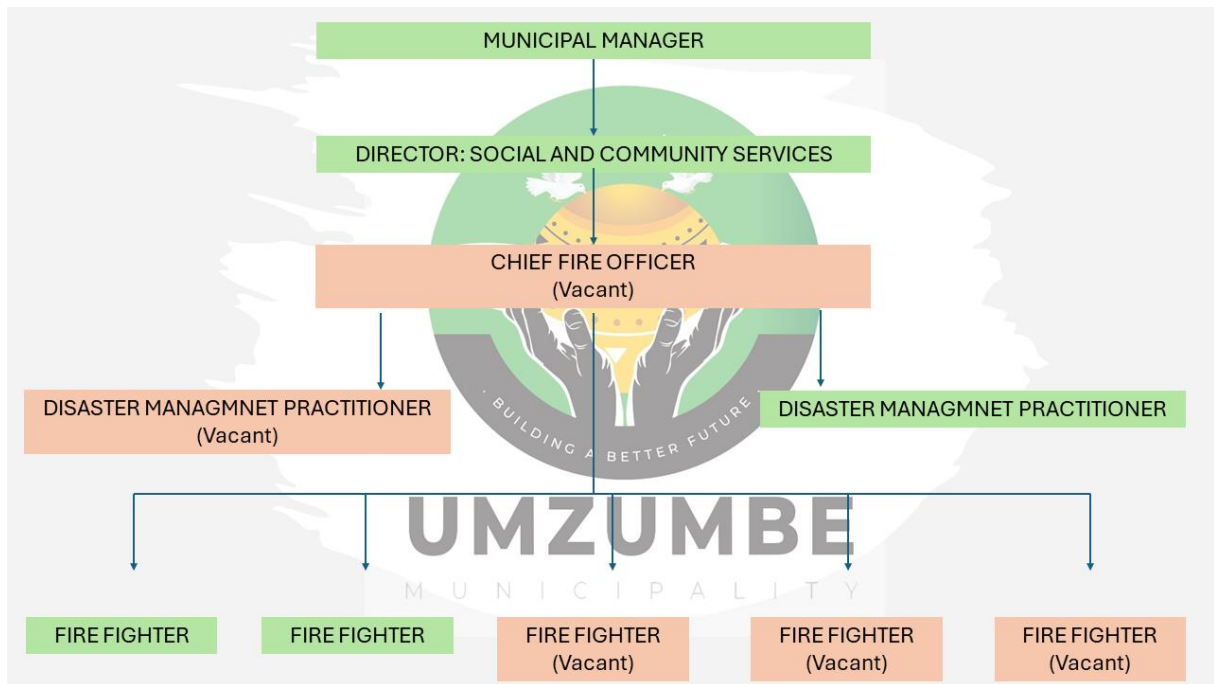
v. Volunteer Program

There are 40 (2 per ward) volunteers recruited from all 20 wards. Volunteers assist in reporting cases in their area and ensuring that holistic assistance is offered to an affected family. The volunteers also conduct awareness campaigns in clinics, community meetings and represent disaster management in war rooms, tribal authority meetings, etc. This assists the section greatly as there is shortage of personnel. The section holds monthly progress meetings with the volunteers to ensure their maximum participation and information sharing. Capacity in the form of trainings is offered to the volunteers on an ongoing basis.

The aim of this programme was to broaden the manpower since the disaster management office is challenged staff capacity. This programme assists with the reporting of incidents that occur in our communities to make the stipulated 72 hours response time and to ensure that all reported cases are attended to. These volunteers also assist with dissemination of information as they attend meetings within wards and go to other places like clinics, tribal courts, etc.

Challenges

There are 4 key performance areas of Disaster Management (Institutional Capacity, Disaster Risk Reduction, Disaster Risk and Recovery and Public Awareness, Education, Training and Research); this means that work is still done below standard. The increased staff will only mean necessary focus is given to all areas as they are equally important and complement each other to create a vibrant disaster management section. Therefore, the section is understaffed and limited resources to support with daily functions. The Umzumbe Disaster Management Section has a total of seven (7) permanent positions, the Chief Fire Officer, Six (06) Fire Fighters and two (2) Disaster Management Practitioners. However, there are vacant positions which are Director: Social and Community Services, PA to the Director, Chief Fire Officer and Disaster Management Practitioner. Below is the illustration of the Disaster Management Section.



Resources

The section is dealing with emergencies e.g., structural fires, veld fires, Motor Vehicle Accidents (MVA)s and other related incidents. The fire fighters have stand-by work shifts as most of the cases like Motor Vehicle Accidents (MVA)s happen at night. It becomes time consuming to call fire fighters from home to respond to emergencies. There is a need for park home to accommodate fire fighters during night shift and standby.

The unavailability of resources means the practitioners has to wait until rain subsides so that assessments can be done. The lack of storage space also means that practitioner needs to collect relief material from UGu Disaster Centre so that they can respond to affected families.

Component H: Sport and Recreation

5.17 Sports and Recreation / Youth Development

5.17.1 Sports and Recreation

The Community Services Unit is responsible for the maintenance and renovation of sport facilities together with the Technical Services Department which is responsible for the design and construction. The Youth Development Unit with the assistance of the Sports Confederation Committee, administer the utilisation procedures of these facilities. The Umzumbe Sport Confederation Committee is fully functional and regularly meets monthly to assist the office for sport programmes implementation.

The Community Services unit had an annual target of maintaining 50 sports fields through grass cutting and 6 Sports fields were targeted for poles and nets installation. An overall amount of 72 sports fields were cut and only 4 sports fields were provided with nets and installation of poles.

The following sporting events were to be conducted by the Youth Development Unit together with the Sport Confederation Committee during the 2023/2024 financial year.

Mayoral Cup Games

The Mayoral cup games are an annual sport tournament that takes place within the Umzumbe Municipality jurisdiction. The tournament is conducted from a ward level up to the municipal level. There are 6 main codes that compete for the Mayoral Cup viz. male and females sporting events. All athletes that compete in the Mayoral Cup games are under the age of 19; this is done to promote the development and selections to the South African Local Government Association and Department of Sport and Recreation games which are held annually in December.

Umzumbe Mfundo Arnold Lushaba Marathon

The Mfundo Arnold Lushaba Half Marathon is an annual running event which is organized to promote healthy lifestyles, to fight social ills within the society as well as to make Umzumbe Local Municipality a tourism destination. The event is named after the late Mayor to honour and to recognize his struggle and efforts made towards Umzumbe's society. The race is conducted under the watchful eye of the KwaZulu Natal Athletics (KZNA); and the goal is for the race to become one of the races in the Comrades Marathon Qualifiers.

The 21KM and 10KM Marathon was held in quarter 3 of the 2023/2024 financial year. The routes started from the D-954 near Luthuli High School, proceeded towards the R102, crossing into the P-73, and then turning back using the same route to finish at the Luthuli Sport field..

Table indicating employee composition within the Youth Development Unit

Employees: Sport and Recreation					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	3	3	3	0	0%

Component I: Corporate Policy Offices and Other Services

5.18 Executive and Council

The council identified objectives in the compilation of the 5-year Integrated Development Plan which aim;

- To solicit input and information towards the development of a credible 5-year IDP;
- To review the municipality's mission, vision and strategic objectives of the municipality in line with government priorities;
- To align the IDP with local government's Turn Around Strategy and the service delivery agreement (outcome nine) and with other policy imperatives;
- To develop an IDP that factors in the rural context of Umzumbe and possible benefits of Government Rural Development Priority;
- To identify strategic focus areas for the next five years

The capital projects identified are aligned to the municipal strategic objective and government priorities. The Mhlabashane Dam construction, the acquisition of private land in the municipal area, Turton Beach development and Ntelezi Msane Memorial.

5.19 Financial Services

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

The overall strategic plan is to ensure that there is transparency, accountability, and sound financial management. Forming part of this plan are key performance areas such as: ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously, annual financial statements are prepared in accordance with GRAP and submitted on time, effective and efficient utilization of financial resources, compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions; disposals; impairments on the assets register.

Formed with a purpose to manage this strategic and operational component of municipal finance, the Financial Services Department is headed by the Chief Financial Officer and comprises the following sections:

- Expenditure & Assets
- Budget, Revenue & Treasury

- Supply Chain Management

Functions of the Financial Services Department:

- *Expenditure & Assets* – The Manager: Income and Expenditure is responsible for salaries administration, creditor's management, VAT compliance, government grants administration, maintenance of assets and investments.
- *Budget, Revenue & Treasury* – The Manager: Budget and Treasury is responsible for ensuring that budgets are prepared, budgets are effectively utilised, reporting to National treasury and other spheres of government and financial forecasting.
- *Supply Chain Management* – The Manager: Supply Chain Management is responsible for the implementation of the Supply Chain Management policy and ensuring that the goods and services are procured in manner which are transparent, competitive, equitable, cost effective and fair

Table indicating total number of employees within the Finance department during the 2023/24 financial year

Employees: Financial Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	1	0	1	100%
10 - 12	10	15	10	4	26.66%
13 - 15	1	3	1	2	66.66%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	19	11	7	36.84%

5.20 Human Resources Services

The Municipal workforce plays a pivotal role in ensuring that the municipality achieves its development goals and bettering service delivery to the community. The municipality therefore prides its self in employing and developing suitable candidates, while providing a safe working environment for its staff through effective implementation of the Human Resource Policy.

Employees: Human Resource Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	4	3	1	25%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	5	4	1	20%

Table Indicating the Vacancy Rate for the 2023/24 financial year

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category) %
	No.	No.	%
Municipal Manager	01	01	100%
CFO	01	01	100%
Other S57 Managers (excluding Finance Posts)	03	01	33.33%
Other S57 Managers (Finance posts)	N/A	N/A	00.0%
Police officers	N/A	N/A	00.0%
Fire fighters	06	0	50%
Senior management: Levels 13-15 (excluding Finance Posts)	15	4	00.0%
Senior management: Levels 13-15 (Finance posts)	03	02	00.0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	00	00	00.0%
Highly skilled supervision: levels 9-12 (Finance posts)	N/A	N/A	N/A
Total	23	09	35.29%

Table Indicating the Vacancy Rate for the 2023/24 financial year:

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category) %
	No.	No.	
Municipal Manager	01	01	100%
CFO	01	01	100%
Other S57 Managers (excluding Finance Posts)	03	01	33.33%
Other S57 Managers (Finance posts)	N/A	N/A	00.0%
Police officers	N/A	N/A	00.0%
Fire fighters	06	03	50%
Senior management: Levels 13-15 (excluding Finance Posts)	14	00	00.0%
Senior management: Levels 13-15 (Finance posts)	03	00	00.0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	02	00	00.0%
Highly skilled supervision: levels 9-12 (Finance posts)	N/A	N/A	N/A
Total	17	06	35.29%

5.21 Information Communication Technology (ICT) Services

The Information and Communication Technology Unit provides Telecommunications and Information Technology (ICT) support to all the Departments and users within Umzumbe Local Municipality.

The ICT Unit has to ensure that the correct and accurate data is available and accessible by the authorised Departments and Users internally and externally all the time. This data must be secured against unauthorised users and viruses.

This Unit has to ensure that up-to-date Systems and infrastructure are used to enhance speedy service delivery.

6. It is crucial to keep software licensing UpToDate to have the systems running to enable the Service Delivery. Our software licensing is broken down as follows:
 - a. Microsoft Office 365 and Microsoft Windows.
 - b. Financial Systems including Sage Evolution, CaseWare and Payday (HR and Payroll).
 - c. ArcGIS
 - d. All other support software.

7. IT Upgrade - Infrastructure must be upgraded from time to time to keep it up and running all the time and be able to use the latest technology. We have extended telecommunications, network and internet connectivity to the remote Offices i.e., Ward 17 MPCC and Nkanini Indoor Sports Centre, while maintaining the existing ones. We are in the process of procuring new Servers with more capacity.
8. Internet connectivity is wheels that keep ICT running. We have to make sure it is available all the time. Our main Office is running at 50 MB upload and down and we are running a combination of fibre and air fibre. We also have a backup link that is 30 MB Upload and Download. This is to minimize the downtime if there is connectivity problem.
9. Software and Hardware – We have to ensure that the Users have devices that are in good condition with software that will enhance and maximize their performance. We have 2 x Domain Controllers; 3 x Physical Servers; 7 x Virtual Servers; 16 x POE Switches; 150 x Active Directory User Accounts; +/- 60 Printers; +/- 140 Desktops / Laptops; 150 ESET Licenses. Our largest capital project is the procurement of Computer Equipment and software to support other Departments. Network has been upgraded in all the Offices; we are now on CAT6. There are no foreseen variations.
10. Community Wi-Fi – We are in the process of rolling out the Community Wi-Fi which we install in the Community Halls.

Table Indicating total employees within the IT Unit during the 2023/24 financial year.

Employees: ICT Services					
Task Grade	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

ICT is trying its best under circumstances, for instance our Municipality is rural and there is no optical fibre for internet connectivity which results in slow network. Eskom's Load shedding poses problems on our operations as our connectivity gets affected. Budget cuts result in Users having to use laptops and desktops that have gone beyond their end-of-life period.

Component K: Organizational Performance Scorecard (Annexure A)

6 Chapter 4: Organisational Development Performance

Component A: Introduction to the Municipal Personnel

6.1 Employees Totals, Turnover and Vacancies

Table Indicating Total number of employees during the 2023/24 financial year

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	80	36%	58	58	1.00
Highly skilled production (levels 6-8)	0	0	0	0	0
Highly skilled supervision (levels 9-12)	22	12%	2	3	0.28
Senior management (Levels 13-15)	90	15%	15	15	1.13
MM and S57	15	12%	4	4	0.19
Total	207	13%	79	80	2.59

Table Indicating number of employees whose salary exceeds the grade determined in the 2023/24 financial year

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0

Table Indicating number of employees who's appointed to post not approved determined in the 2023/24 financial year

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
0	0	0	0	0

Component B: Managing the Municipal Workforce

6.2 Policies

The Corporate Services Department is responsible for the well-being of the municipal staff, through the drafting and review of the Human Resource Policy and associated policies. The municipality had the following policies adopted and reviewed during the 2023/24 financial year. The Municipality has established the Municipal Policy Development Committee, tasked with reviewing and developing municipal policies in line with the prescribed National, Provincial and local legislations and programmes.

The members of the Policy Review Policy are as follows

- Ms M Cele (Chairperson)
- Mr S Ncwane
- Mr S Nxele
- Mr V Sibiyi
- Ms N Ntanzu
- Mr. P Mhlomo
- Ms P Cele (Scriber)

Below is the list of policies that were adopted by Municipal Council on the 23rd of June 2023:

- Registration Fees Assistance
- Business Continuity
- Subsistence and Travel
- Asset Disposal
- Cellular Allowance and Telephone
- Study, Training, Workshop and Conference
- Social Media
- Consequence Management
- Policy Development and Review

List of 2023/2024 Adopted Policies		
Policy	Achieved/ Not Achieved	Responsible Department
Review and adopt Records Management Policy	Not Achieved	Finance Department
Review and adopt Skills Retention Policy	Not Achieved	Corporate Services
Review and adopt OHS Policy	Not Achieved	Corporate Services
Review PMS Policy	Not Achieved	Corporate Services
Review Pandemic Policy	Not Achieved	Corporate Services
Development and adoption of Social Media Policy	Not Achieved	Corporate Services
Development and adoption of the Consequence Management Policy	Not Achieved	Corporate Services
Development and adoption of the Business Continuity Policy	Not Achieved	Corporate Services
Adopt Final PMS Policy	Target Achieved	Development Planning
Review and adopt SCM Policy	Target Achieved	Supply Chain Management
S&T Policy	Target Achieved	Corporate Services
Cellular Phone allowance and Telephone Policy	Target Achieved	Corporate Services
Study, Training, Workshop and Conference Policy	Target Achieved	Corporate Services
Asset Disposal Policy	Target Achieved	Corporate Services
Registration Fees Assistance Policy	Target Achieved	Corporate Services

6.3 Injuries, Sickness and Suspensions

Table Indicating number of sick leave taken in the 2023/24 financial year

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	80	12%	46	46	05
Skilled (Levels 3-5)	80	09%	16	16	10
Highly skilled production (levels 6-8)	80	09%	52	52	07
Highly skilled supervision (levels 9-12)	80	02%	02	02	05
Senior management (Levels 13-15)	80	00%	01	01	00
MM and S57	80	00%	01	01	00
Total	480	32%	118	118	27

6.4 Performance Rewards

Table Indicating number of Performance Rewards in the 2023/24 financial year:

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
	Male	0	0	0	
MM and S57		4	3	316	75%
Total		4	3	316	75%

6.5 Skills Development and Training

The Municipality conducted the following staff and councillor trainings and courses in line with the Workplace Skills plan and Municipal Vision as indicated in the Municipal Integrated Development Plan.

Employees Trained as per Umzumbe Workplace Skills Plan in 2023/2024

YEAR	NAME OF EMPLOYEE	DESIGNATION	COURSE	INSTITUTION
2024	Thembelihle Mthombeni	Committee Officer	Postgraduate diploma in Project Management	MANCOSA
2024	Xolani Cele	Public Participation Officer	Bachelor of Public Admin	MANCOSA
2024	Hlengiwe Mbhele	Committee Officer	Postgraduate Diploma in Business Management	MANCOSA
2024	Lungani Msomi	Community Development Officer	Diploma in Public Management	University of Pretoria
2024	Sbusiso Ndwane	ICT Help Desk	Bachelor of Commerce in IT	MANCOSA
2024	Makabongwe Cele	Special Programmes Officer	Postgraduate Diploma in Community Development Studies	University of Kwazulu Natal
2024	Andile Msomi	Council Support	Bachelor Degree Administration	Regent Business School

Trainings

Date	Course	Number of employees	Names of employees
13 to 14 July 2023	Financial Audit & AFS Preparation Training	03	- Nothile MKhathini - Ntando Duma - Phumlani Mathenjwa
11 – 14 September 2023	MFMP	02	- Nhlakanipho Khomo - Scelo Ngwazi
13 to 17 November 2023	Peace Officer Course	04	- Nosihle Vundla - Ngcebo Mthembu

			• Gugu Dlamini • Philani Zama
13 to 16 November 2023	Payday Training	04	• Phumelele Cele • Mbongeni Ngqulunga • Nompumelelo Dlamini • Sibusiso Ndwane

7 Chapter 5: Financial Performance

Component A: Statement of Financial Performance

7.1 Statement of Financial Performance (Refer to AFS)

7.2 Grants

Grants have been received in terms of DORA as well as Provincial allocations.

GRANTS REGISTER FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024					
REGISTER AS AT 30 JUNE 2024					
GRANT NAME	BALANCE UNSPENT BEGINNING OF PERIOD 30 JUNE 2024	RECEIPTS THIS MONTH	CORRECTIONS	EXPENDITURE THIS MONTH	BALANCE UNSPENT END OF PERIOD 30 JUNE 2024
Financial management grant	0.00	-			0.00
Municipal infrastructure grant	0.00		2 289 181.38		2 289 181.38
Expanded Public Work Grant	-			-	-
Disaster Management Grant	119 100.94	-		-	119 100.94
Disaster Recovery Grant	1 072 366.15			1 012 380.66	59 985.49
National Electrification Grant	2 030 224.97		2 691 310.93	2 158 446.58	2 563 089.32
Massification	2 383 423.17	-		-	2 383 423.17
KZN Sports	50 000.00				50 000.00
Fire Fighting Grant	374 778.32				374 778.32
Municipal Employment Initiative	1 000 000.00			1 000 000.00	-
	7 029 893.55	-	4 980 492.31	4 170 827.24	7 839 558.62

In addition, Equitable Share of R162.9 million was received during the year.

7.3 Asset Management

Introduction to Asset Management

Asset management forms an integral part in the municipality's ability to render service delivery. Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which also incorporates elements of GRAP. The municipality compiled the fixed assets register for the 2023/2024 financial year in accordance with GRAP. This formed part of the process of the annual financial statement's preparation.

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	R 4 252 175	R 36 882 643	R35 286 023	95,6%

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 mainly from government grants which is MIG and Equitable share.

7.4 Sources of Finance

UMZUMBE MUNICIPALITY									
2022/2023 ADJUSTED BUDGET									
Revenue Budget by Source									
Revenue by source	2022/2023 ADJUSTED BUDGET			2023/2024 FINAL BUDGET			2024/2025 FINAL BUDGET		
	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET	VAT EXCLUSIVE BUDGET	VAT	VAT INCLUSIVE TOTAL BUDGET
Government grants and subsidies	221 506 879.00		221 506 879.00	228 356 000.00		228 356 000.00	225 223 000.00		225 223 000.00
Interest from investments	11 000 000.00	-	11 000 000.00	7 950 000.00		7 950 000.00	8 500 000.00		8 500 000.00
Tender Sales	135 652.17	20 347.83	156 000.00	139 130.43	20 869.57	160 000.00	143 478.26	21 521.74	165 000.00
Hall Hire	86 956.52	13 043.48	100 000.00	47 826.09	7 173.91	55 000.00	52 173.91	7 826.09	60 000.00
Property Rates Income	8 244 363.75	-	8 244 363.75	8 244 363.75		8 244 363.75	8 244 363.75		8 244 363.75
Internally generated funds(Accumulated Surplus)	174 240 900.89	-	174 240 900.89	68 109 759.72		60 538 158.52	71 639 397.22		61 798 110.08
Waste Collection	-0.00	-	-0.00	22 659.34	3 398.90	26 058.24	23 679.01	3 551.85	27 230.86
Insurance Refunds	173 913.04	26 086.96	200 000.00	186 956.52	28 043.48	215 000.00	200 000.00	30 000.00	230 000.00
Commission fees(Agency fees)	39 130.43	5 869.57	45 000.00	43 478.26	6 521.74	50 000.00	47 826.09	7 173.91	55 000.00
Building plans & Licensing/Permits	5 426.09	813.91	6 240.00	5 664.83	849.73	6 514.56	5 919.75	887.96	6 807.72
Market Stalls revenue	-	-	-	22 659.34	3 398.90	26 058.24	23 679.01	3 551.85	27 230.86
Proceeds from Auctions	271 304.35	40 695.65	312 000.00	283 241.74	42 486.26	325 728.00	295 987.62	44 398.14	340 385.76
Marathon Proceeds	15 600.00	-	15 600.00	16 286.40		16 286.40	17 019.29		17 019.29
Other Revenue(For Lollipops & Other)	190 800.00	-	190 800.00	199 195.20		199 195.20	208 158.98		208 158.98
Testing Licensing(Tickets & Licensing)	-	-	-	11 066.40		11 066.40	11 564.39		11 564.39
TOTAL INCOME BUDGET	415 910 926.24	106 857.39	416 017 783.63	313 638 288.03	112 742.48	306 179 429.31	314 636 247.28	118 911.55	304 913 871.68
OPEX	282 424 984.55	18 107 492.60	300 532 477.15	232 437 410.04	9 788 019.27	242 225 429.31	244 529 836.15	10 608 485.54	255 138 321.69
CAPEX	100 422 005.63	15 063 300.85	115 485 306.48	55 612 173.91	8 331 391.30	63 954 000.00	43 283 086.95	6 492 463.04	49 775 550.00
TOTAL BUDGET	382 846 990.19	33 170 793.45	416 017 783.63	288 049 583.95	18 119 410.57	306 179 429.31	287 812 923.10	17 100 948.58	304 913 871.68
Surplus/(Deficit)	33 063 936.05	-33 063 936.05	-	25 588 704.07	-18 006 668.09	-	26 823 324.17	-16 982 037.03	-

UMZUMBE MUNICIPALITY			
2022/2023 ADJUSTED BUDGET			
Government Grants Allocations			
GOVERNMENT GRANTS AND SUBSIDIES-ALLOCATION	FINAL BUDGET 2022/2023	FINAL BUDGET 2023/2024	DRAFT BUDGET 2024/2025
National Grants Allocations			
Equitable share	154 862 000.00	162 624 000.00	171 055 000.00
Municipal Systems Infrastructure Grant (MSIG)	-	-	-
Local Government Financial Management Grant (FMG)	1 850 000.00	1 850 000.00	1 850 000.00
Municipal Infrastructure Grant (MIG)	38 552 000.00	40 160 000.00	41 869 000.00
Disaster Management Grant	-	-	-
Municipal Disaster Recovery Grant	9 000 000.00	15 722 000.00	-
Intergrated national Electrification Programme	15 000 000.00	8 000 000.00	10 449 000.00
Massification Grant	-	-	-
Municipal Systems Infrastructure Grant (MSIG)	-	-	-
Extended Public Works Programme	1 699 000.00	-	-
Sub Total - National Grant Allocations	220 963 000.00	228 356 000.00	225 223 000.00
Provincial Grants Allocations			
Disaster Relief Grant	-	-	-
KZN Sports Grant	50 000.00	-	-
Ward Based Grant	-	-	-
District Municipality - UGU	-	-	-
Fire Fighting Grant	374 778.00	-	-
Disaster Management Grant	119 101.00	-	-
Sub Total - Grants Allocations	543 879.00	-	-
TOTAL GRANT ALLOCATIONS	221 506 879.00	228 356 000.00	225 223 000.00

7.5 Capital Spending on 5 Largest Projects

Table below indicating Capital Spending on 5 Largest Projects

Capital Spending on 5 Largest Projects	
Project Name	Budget
Construction of New Offices	R22 887 733.11
Power-faith Phase 2 Electrification	R7 669 884.06
Sunduza Electrification	R7 468 434.59
Indoor Sports Complex for Cluster B	R6 649 552.60
Construction of Mzukhwane Access Road	R6 201 960.16

7.6 Basic Service and Infrastructure Backlogs Overview

Component C: Cash Flow Management and Investments

Cash flow management is key to the sustainability of the municipality and its ability to provide services to the communities.

7.7 Cash Flow Statement

Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Receipts from Customers		5,090,111	13,338,928
Grants		220,963,716	204,033,000
Interest income		10,324,622	7,264,299
		<u>236,378,449</u>	<u>224,636,227</u>
Payments			
Cash Paid to Suppliers and Employees		(247,788,975)	(177,103,868)
Net cash flows from operating activities	26	<u>(11,410,526)</u>	<u>47,532,359</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(82,422,963)	(91,758,508)
Proceeds from sale of property, plant and equipment	2	22,824	-
Net cash flows from investing activities		<u>(82,400,139)</u>	<u>(91,758,508)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(93,810,665)</u>	<u>(44,226,149)</u>
Cash and cash equivalents at the beginning of the year		193,501,292	237,727,441
Cash and cash equivalents at the end of the year	9	<u>99,690,627</u>	<u>193,501,292</u>

The accounting policies on pages 13 to 31 and the notes on pages 32 to 63 form an integral part of the annual financial statements.

The municipality's cash flow is monitored regularly and indicates a favourable liquidity position as at year end. As at the 30 June 2023, the municipality had cash and cash equivalents of R 99.7 million.

7.8 Public Private Partnership

No public private partnerships were entered into during the year.

Component D: Other financial Matters

7.9 Supply Chain Management

The municipality is using SAGE Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders. Separate files were opened for each tender which contained details of the contractor, evaluation and adjudication reports, payments details etc. The municipality has functioning bid committees i.e. Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

7.10 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. As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General. The Annual Financial Statements for the financial year 2022/2023 were compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to the Auditor General.

8 Chapter 6 – Auditor General Audit Findings Introduction

Component A: Auditor – General Opinion of Financial Statements Year-1

8.1 Auditor General Report Year 2022/2023 (Previous Year) (Annexure A)

The municipality received an unqualified audit with matters of emphasis for the previous

financial year. The report was tabled to council together with corrective measures to address the audit findings.

Component B: Auditor General Opinion Year 0 (Current Year)
8.2 Auditor General Report Year 2022/2023 (Current Year of Reporting) (Annexure B)

8.2.1 Umzumbe Corrective Action Plan 2023/2024 Financial Year (Annexure C)

Glossary

Accessibility indicators	Explore whether the intended beneficiaries can access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas Key	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or

	immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>
Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give " <i>full and regular</i> " reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe " <i>what we do</i> ".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.

Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National performance areas Key	Service delivery & infrastructure Local Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and

Plan	performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a “vote” as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

Appendix A – Committees and Committee Purposes

Committees (Other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
MPAC	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
Council	• Adoption of policies, strategies, plans and by laws. • Council play oversight role on implementation of resolutions taken. • Hold the municipal manager accountable for all actions taken. • Responsible for employment of section 54 and 56 employees
EXCO	Ensures that the municipality; Provides democratic and accountable government for the community of Umzumbe. Promotes social and economic development Promotes health and safety environment. Provides services in a sustainable manner to the community of Umzumbe Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions. Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government. It comprises of seven Councillors including the Mayor and Deputy Mayor. It reviews and identifies community needs in order of priority. Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption. Refers decisions to Council with or without resolutions. Evaluate progress against performance indicators.
Social, Community Services and Special Programme Committee	The objective of the Community Services Committee is to assist the Executive committee to promote a healthy environment by: Advising on legislation, prevention and enforcement mechanisms, which are within the financial and administrative capacity of the municipality; Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body; • Overseeing certain municipal services, including health, cultural cleansing and maintenance services; and • To pay attention to educational and welfare services in general as they apply to the entire municipality.

Committees (Other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Development Planning, Human Settlements & Infrastructure Committee	Objectives • Encourage the involvement of the entire municipal community, its bodies stakeholders and institutions in matter of local government. • Participate in National and Provincial programmes • Promote the implementation of Integrated Development Plan (IDP) • Consider reports to EXCO for preparations of Land Use Management Plan, subdivisions of land; PMS Etc. • Planning Committee may consider all matters of a policy nature. • Promotes the implementation of IDP. • Oversees rendering of services in historically disadvantaged areas. • Report to EXCO • Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to Exco
Finance and LED Committee	• Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to EXCO. • Promotes the implementation of LED • Assists in providing funding for local business services centres. • Promotes local economic development programmes. • Consults with traditional Leaders on matters of the economic development.
Governance and Corporate Services Committee	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Oversee & Report to EXCO
Youth Committee	Committee appointed by Council in terms of section 79 & 80 of the Municipal Structures act No. 117 of 1998 to Report to EXCO
LLF	Forum established as per SALGA Bargaining Council • Promote the interests of all employees in the workplace, not only of trade union members • Enhance efficiency in the workplace • Consult employees on certain matters • Include employees in joint decision making on other matters.
Audit Committee	To provide municipal oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.

Appendix B – Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Mr. T.P. Cele
Financial Services	Mr. N Duma (Acting)
Corporate Services	Ms. DP Ngcobo
Technical Services	Mr. M.B. Shangase
Social Development and Community Services	Ms. N. Lushaba

Appendix C – Functions of Municipality / Municipal Entity / Entity functions

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No (District Function)	N/A
Building regulations	Yes	N/A
Child care facilities	Yes	N/A
Electricity and gas reticulation	No (ESKOM Function)	N/A
Firefighting services	Yes	N/A
Local tourism	Yes (Shared Services)	N/A
Municipal airports	No (District Function)	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No (District Function)	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No (District Function)	N/A
Beaches and amusement facilities	Yes	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes (Shared Services)	N/A
Municipal abattoirs	Yes (Shared Services)	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	Yes	N/A
Pounds	No	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A
* If municipality: indicate (yes or No); * If entity: Provide name of entity		<i>T D</i>

Appendix D – Ward Reporting

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Venue	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 1 Public Meetings	Q1 26/08/2023 09/09/2023 Q2 02/10/2023 19/11/2023 Q3 25/03/2024 Q4 Nil	1	Mehlomnyama Khanyile vd Emseni vd Sunduza vd Khanyile hall	83 70 103 36 56	Yes	Feedback on quarterly basis
Ward 2 Public Meetings	Q1 23/07/2023 Q2 26/11/2023 Q3 Nil Q4 Nil	1	St Faith vd Sizabantu vd	120 50	Yes	Feedback on quarterly basis
Ward 3 Public Meetings	Q1 14/07/2023 14/07/2023 Q2 30/10/2023 Q3 Nil Q4 Nil	1	Oxolweni VD Hlwathika vd Johnsdale hall	50 49 45	Yes	Feedback on quarterly basis
Ward 4 Public Meetings	Q1 16/08/2023 Q2 10/12/2023 Q3 15/02/2024 Q4 17/06/2024	1	Mpumuza vd Mpumuza vd Mpumuza hall Mpumuza hall	78 41 73 94	Yes	Feedback on quarterly basis
Ward 5 Public Meetings	Q1 17/08/2023 Q2 12/11/2023 Q3 15/02/2024	1	Mageza vd Frankland hall Frankland	29 44 65	Yes	Feedback on quarterly basis

	Q4 20/02/2024 07/04.2024 12/04/2024 07/05/2024 13/05/2024 06/06/2024		Primary Gwalagwala Mageza vd Gwalagwala Frankland hall Mkhomazana Qwabe hall	28 39 40 60 33 80		
Ward 6 Public Meetings	Q1 22/07/2023 22/07/2023 Q2 14/10/2023 30/12/2023 Q3 26/01/2024 19/02/2024 08/03/2024 Q4 05/05/2024 12/05/2024 26/06/2024	1	No.7 vd Gidela vd No. 7 Bhanoyi hall kwaTate Gidela vd Soviyo vd No.7 Oetting Mission Bhanoyi	59 75 56 68 64 60 54 70 45 60	Yes	Feedback on quarterly basis
Ward 7 Public Meetings	Q1 30/08/2023 11/08/2023 Q2 29/10/2023 Q3 04/03/2024 Q4 12/05/2024 23/05/2024	1	Nyavini vd Mahlaya vd Zisukumele vd Nongwinya vd Nyavini hall Mahlaya vd	139 56 64 45 75 60	Yes	Feedback on quarterly basis
Ward 8 Public Meetings	Q1 25/08/2023 Q2 24/10/2023 Q3 22/03/2024 Q4 26/06/2024	1	Amen creche Nogoduka hall Mgayi Primary Amen creche	27 90 112 41	Yes	Feedback on quarterly basis
Ward 9 Public Meetings	Q1 10/09/2023 05/09/2023 Q2 28/11/2023 Q3 Nil Q4 Nil	1	Fundeduze vd kwaBhavu vd Nkungwini	126 32 23	Yes	Feedback on quarterly basis
Ward 10 Public Meetings	Q1 08/08/2023 04/09/2023 Q2 12/10/2023	1	Sibanini vd Magistrate vd Nkanyisweni vd	57 49 76	Yes	Feedback on quarterly basis

	Q3 13/10/2023 06/02/2024 09/02/2024 19/02/2024 27/02/2024 Q4 24/04/2024 11/05/2024 06/06/2024		Village Mhlangwini vd Sibanini hall Bonakele store Arsenal store Old clinic road Mahlangwini vd Bonakele vd	55 42 59 32 22 121 94 31		
Ward 11 Public Meetings	Q1 Q2 16/11/2023 Q3 Nil Q4 Nil	1	Bhekizizwe creche	26	Yes	Feedback on quarterly basis
Ward 12 Public Meetings	Q1 05/07/2023 14/07/2023 Q2 22/11/2023 Q3 06/03/2024 Q4 16/04/2024	1	Nqolobane hall BhekamaNdelu Nqolobane vd Nqolobane hall Gubhuza vd	37 50 63 53 53	Yes	Feedback on quarterly basis
Ward 13 Public Meetings	Q1 29/08/2023 22/09/2023 Q2 21/11/2023 16/11/2023 Q3 17/01/2024 23/02/2024 19/03/2024 Q4 11/04/2024 21/05/2024	1	Baphumile vd Mtumaseli vd Ndumakude all Baphumile vd Mtumaseli vd kwaMqadi Odeke vd Buhlebethu vd Mqadi vd	51 54 26 53 15 39 32 30 32	Yes	Feedback on quarterly basis
Ward 14 Public Meetings	Q1 25/07/2023 Q2 20/11/2023 Q3 04/01/2024 26/01/2024 Q4 03/04/2024	1	Mabuthela hall Rossetenville Mabuthela kwaKhathi vd Mabuthela hall	37 66 60 79 54	Yes	Feedback on quarterly basis
Ward 15 Public Meetings	Q1 17/07/2023 11/08/2023 Q2 31/11/2023	1	Dingimbiza vd SbonguJeza Nomakhanzana	31 21 30	Yes	Feedback on quarterly basis

	Q3 22/01/2024		Esilengeni kwaMthembu	27 25		
	Q4 26/04/2024		Dingimbiza vd			
Ward 16 Public meetings	Q1 25/08/2023 Q2 24/11/2023 Q3 23/03/2024 Q4 30/06/2024	1	Cabhane Velumemeze vd Vusizwe creche Hlaba vd	85 38 30 51	Yes	Feedback on quarterly basis
Ward 17 Public Meetings	Q1 17/14/2023 Q2 04/11/2023 Q3 26/02/2024 26/03/2024 Q4 22/04/2024	1	MPCC Power of Faith Fountain sports ground Power of Faith MPCC	27 92 205 91 54	Yes	Feedback on quarterly basis
Ward 18 Public Meetings	Q1 Q2 20/10/2023 03/12/2023 Q3 21/01/2024 10/02/2024 Q4 08/06/2024	1	Mathulini creche Mfuli vd kwaFica vd Mathulini vd Mathulini vd	120 63 53 75 37	Yes	Feedback on quarterly basis
Ward 19 Public Meetings	Q1 25/07/2023 16/08/2023 Q2 Nil Q3 Nil Q4 Nil	1	Kwa Phiri vd Bonginduna vd	78 44	Yes	Feedback on quarterly basis
Ward 20 Public Meetings	Q1 Nil Q2 Nil Q3 Nil Q4 17/04/2024	1	Bhuwinini	37	Yes	Feedback on quarterly basis

8.2.2 Audit Committee Chairman's Report (Annexure D)

8.2.3 Appendix E – Recommendations of the Municipal Audit Committee Year 0

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
1.	Status on the implementation of the internal audit plan.	Following a lengthy discussion, the committee unanimously resolved • to note the status update on the implementation of the internal audit plan. • To recommend that the Infrastructure and Project Management be rolled over to the 2023/2024 financial year with specific inclusion of audit procedures to assess whether value for money was attained.	24.07.2023	Manager IA
2.	Final audit report on supply chain management.	Following a lengthy discussion, the committee unanimously resolved: • To note the audit report on Supply Chain Management with concern. • To recommend that the ACFO implements the recommendations within the agreed upon timeframes to enable the municipality to fairly present on the note disclosure on irregular expenditure. • To recommend that the entire population be revisited by the BTO section as far as it relates to deviations to ensure the deviations as recorded are valid.	24.07.2023	ACFO

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
		- To recommend that at the next ordinary meeting, the committee receives a detailed report from the acting ACFO, giving the committee an indication of the actions that have been undertaken to address the findings raised in the report. - To recommend that the acting ACFO to look at the report, and for those particular responses that appear to be inadequate, the acting ACFO to forward the responses to the Internal Audit Unit. - and at the next ordinary meeting the committee receives a report on the assessment of the management corrective actions implemented to address the findings.		
3.	Follow up audit report – disaster management	The committee unanimously resolved: - To note the follow up audit report on disaster management, and - The updated report to be submitted at the next ordinary audit committee meeting.	27.07.2023	Manager IA
4.	Draft annual internal audit plan for 2023/2024	The committee unanimously resolved: - To note the draft annual internal audit plan. - That the final annual internal audit plan for the 2023/2024 financial year be submitted at the next ordinary audit committee meeting for approval.	27.07.2023	Manager IA

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
5.	SDBIP SCORE CARDS FOR 2023/2024	Resolved • To note the SDBIP Scorecards for 2023/2024 financial year. • To recommend that at the mid-term budget adjustment, those particular KPIs that have been alluded to by the audit committee be factored in and included in the scorecards. • To recommend that Internal Audit to include procedures during the review of first quarter of the performance management system to test the alignment between the IPP, the budget, the SDBIP and test the smartness of the KPIs.		
6.	Internal Audit Report on the Draft Annual Financial Statements for 2022/2023 financial year.	Following a lengthy discussion, the committee unanimously resolved: • To note the internal audit report on draft AFS. • That due to the potential significance of findings that are not yet resolved by management and matters that had been discussed, recommended that management should address all findings raised by members and internal audit on the Draft Annual Financial statement, and • resubmit an updated report to the Audit Committee in the next special audit committee meeting	28.08.2023	ACFO
7.	Draft Annual Financial Statements for 2022/2023 financial year	Following a lengthy discussion, the committee unanimously resolved: • To note the draft annual financial statement for 2022/2023 financial year. • To recommend that the updated draft set of annual	28.08.2023	ACFO

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
		financial statements be submitted in the next audit committee meeting.		
8.	Internal Audit Report on Draft APR	Following a lengthy discussion, the committee unanimously resolved: • To note the Internal Audit Report on Draft APR. • That the management submits the required outstanding information to internal audit to perform their follow up procedures, and; • That the Annual Performance Report be updated with respect to the recommendations made by Internal Audit, and that be presented in the meeting scheduled 30th August 2023.	28.08.2023	Manager : DP/Manager IA
9.	Narrative Report and Draft Annual Performance Report for 2022/2023 FY	Following a lengthy discussion, the committee unanimously resolved: • To note the draft annual performance report for 2022/2023 financial year. • To recommend that the updated draft annual performance report be submitted in the next audit committee meeting.	28.08.2023	Manager : PD

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
10.	Draft Annual Financial Statement for 2022/2023 financial year.	Following a lengthy discussion, the committee unanimously resolved: • To note the draft annual financial statement for 2022/2023 financial year. • To recommend that the draft financial statement be forwarded by the Accounting Officer of the municipality to the Auditor General by no later than 31 August 2023.	30.08.2023	ACFO/MM
11.	Narrative Report and Draft Annual Performance Report for 2022/2023 financial year.	Following a lengthy discussion, the committee unanimously resolved: • To note the Narrative Report and Draft Annual Performance Report for 2022/2023 financial year. • To recommend that the narrative report and draft annual performance report for 2022/2023 financial year be forwarded by the Accounting Officer of the municipality to the Auditor General by no later than 31 August 2023.	30.08.2023	Manager DP/MM
12.	Internal audit plan for 2023/2024 financial year	The committee unanimously resolved: To approve the Internal Audit Plan for 2023/2024 financial year	01.12.2023	Manager IA
13.	Section 71 Report	Following a lengthy discussion, the committee unanimously resolved: • To note the section 71 report.	01.12.2023	ACFO

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
		• That on the next audit committee meeting, the Acting CFO submits the advice he received from COGTA in writing		
14	Audit Report Of The Auditor General	The committee unanimously resolved: • To note the AG Audit Report for the 2022/2023 financial year. • To recommend that the acting Municipal Manager writes to the political office bearers in terms of Section 32 of the MFMA to notify them that they are incurring unauthorised, irregular, fruitless and wasteful expenditure in order to be not held liable incurring such expenditure.	18.03.2024	AMM
15.	AG ACTION PLAN – Progress Report	Following a lengthy discussion, the committee unanimously resolved: • To note the AG Action Plan. • To recommend that the CFO does a review of the purchase orders against the commitments register on a monthly basis to ensure completeness.	24.05.2024	ACFO
16.	8.2 Annual Financial Statements Preparation Plan	Following a lengthy discussion, the committee unanimously resolved: • To note the annual financial statements preparation plan • To recommend that the annual performance report	24.05.2024	Manager DP

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
		preparation plan be shared with the members of the audit committee via email and subsequently be included in the agenda of the next ordinary meeting.		
17	Draft Annual Report	Following a lengthy discussion, the committee unanimously resolved: - To note the draft annual report and also note that it has not been dealt with sufficiently in terms of compliance with Municipal Finance Management Act. - To recommend that the annual report be dealt with in terms of the administrative processes of section 139 of the MFMA.	24.05.2024	Manager DP
18.	Quarter 2 PMS Report And SDBIP	Following a lengthy discussion, the committee unanimously resolved: - To note the Quarter 2 PMS Report and adjusted SDBIP. - To recommend that Ms. Khanyile shares her notes and recommendations on the PMS and SDBIP with Umzumbe Municipality.	24.05.2024	Manager DP
19.	Deviation, Unauthorised, Irregular And Fruitless And Wasteful	Following a lengthy discussion, the committee unanimously resolved: To note the Deviation, Unauthorised, Irregular and Fruitless and Wasteful Expenditure Report.	24.05.2024	ACFO

NO.	REPORT / ITEMS	RESOLUTION OF MEETING	MEETING OF THE DATE	RESPONSIBLE OFFICIAL
	Expenditure Report	To recommend that the Acting CFO takes the issue of deviations to council before the end of the financial year.		
20	13. Other Matters	Following a lengthy discussion, the committee unanimously resolved: To request that the Acting Municipal Manager shares with members of the audit committee the monthly report that she submits to COGTA and also the engagement letter or terms of reference of the administrator.	24.05.2024	AMM

Appendix F - Revenue Collection Performance by Source

Refer to the Annual Financial Statements

Appendix G – Conditional Grants Received Including MIG

Refer to the Annual Financial Statement

Appendix H – Revenue Collection Performance by Vote and by Source
Refer to the Annual Financial Statement

Appendix I Conditional Grants Received: Excluding MIG
Refer to the Annual Financial Statement

Appendix K: Capital Expenditure – New & Upgrade/ Renewal Programmes
Refer to the Annual Financial Statement

