

## FINAL 2018/2019 ANNUAL REPORT

### Legislative Provisions

#### **Section 121 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that “**

Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The purpose of an annual report is-

- To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

#### **The annual report of the municipality must include-**

- The annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor General for audit in terms of section 126 (1);
- The Auditor General report in terms of section 126 (3) on those financial statements.
- The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
- The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.
- An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;
- An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue sources and for each vote in the municipality's approved budget for the relevant financial year;
- Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports referred to in paragraphs (b) and (d)
- Any explanation that maybe necessary to clarify issues that in connection with the financial statements;

- Any information as determined by the municipality;
- Any recommendations of the municipality's audit committee; and any other information as may be prescribed.
- To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

## **CHAPTER 1.**

### **COMPONENT A: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY**

#### **BACKGROUND**

The Mthonjaneni Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000. According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise of a number of chapters to reflect the key activities undertaken within the organisation during the year under review.

The Financial year 2018/2019 is another remarkable year to lead Mthonjaneni Municipality as we are entrusted by the community to continue with service delivery. There is no municipality or council that will exist in isolation of Amakhosi aseNdlunkulu, honourable councillors, administration and valuable stakeholders and the community. I thank and acknowledge each and every one of you for the support and your contribution you have made for us.

During this 2018/2019 financial year we have continued to render services to all our communities as they entrusted us. The cooperation amongst the political leadership, administration and our community has seen us moving a step forward in ensuring that we take decisions as per the expectations of the people that we serve.

The Integrated Development Plan 2016/17 – 2020/21 was developed and adopted by Council on 30 May 2017. It is then reviewed annually in terms of section 34 of Local Government Municipal Systems Act 56 of 2000. It provided the strategic direction that the Municipality will pursue to achieve the set goals and objectives in line with priorities of Mthonjaneni. To monitor and evaluate implementation of the IDP, the Service Delivery and Budget Implementation Plan was developed and approved by the mayor, it served as service delivery contract between the mayor and the community of Mthonjaneni, and hence the performance monitoring and evaluation of the municipality is measured against it. A reflection of actual performance will be outlined in this report and briefly undertook IDP implementation as follows:

Mthonjaneni Municipality consider public participation as important and engaged the communities at ward level to identify needs and priorities of our people. The IDP Roadshows served as a platform for this purpose and were undertaken in April and May 2017. Over and above the councillors had been in constant consultation with communities to improve transparency and accountability on municipal affairs.

We understand quite well that the rate of poverty and unemployment within our communities is very high. It is for this reason that we try to improve the standard of living of our people. We created 127 EPWP job opportunities and funded thirteen co-operatives that were identified by councillors in all thirteen wards within our municipality. We have also supported 78 university students through the Mayoral bursary fund and made provision to 84 youth for drivers' licences. Skills development through sports has always been at the forefront of the programs aimed at assisting our youth. We participated in SALGA games and our boys were selected for the King Cetshwayo



District squad. The mayoral cup event that we had was very successful. We are proud that there are players that were identified by the scouts which part of the event in search of talent.

It is also our aim to ensure that our heritage is part of our pride. We still have maidens being supported and encouraged to be part of the UMkhosi woMhlanga ceremony together with the celebration of the heritage month. We do this with the support of the traditional leadership within our municipality.

We have made history again. The partnership with Ukhozi radio station enabled us to host our first prestigious Nyusi Volume event. This was also done together with the opening of the music recording studio for the first time in the life time of our municipality. The recording studio project is now yielding fruits as the youth of Mthonjaneni and musicians from other municipality are now are using our studio for recording.

It was however so sad to lose the life of our brother at the beginning of this financial year, Cllr M.E. Zulu from ward 3 and we would like to pass once again our condolences to his family.

We are also proud that we hosted two bi-elections in ward three and seven peacefully in 2018. This was also followed by the National and Provincial elections. The conduct of our people cleared reflected political tolerance and understanding among the community of Mthonjaneni. This is an indication that our community understands the democracy we are living in.

Through our indigent burial programme, we have been able to assist our communities to bury their loved ones with dignity.

Our budget allocation for this financial year was R177 million with the additional R4 million from MIG allocation. The allocation we received is very small when compared to the area we have to service and the needs of the community as raised from our IDP. We were able to prioritize the following projects in this financial year:

- 474 connections for Makhasaneni/Soqiwa electrification project in ward 3 and 7. This is a multi-year project which we started during 2017/2018 financial year.
- Urban roads upgrade and rehabilitation phase 5 in ward 3.
- Construction of Ntombokazi community hall in ward 12.
- Construction of Mpevu community hall in ward 9.
- Construction of Gobihlahla crèche in ward 11.
- Construction of Imfule gravel road in ward 4.
- Construction of Nungwini gravel road in ward 1.
- Construction of Manzawayo gravel road in ward 5.

I would love to thank the political leadership and the administration, led by our municipal manager, Mr PP Sibiya for the hard work and co-operation in ensuring that we strive to make the lives of our people to be better every day. We are the municipality that put our people first as they are the ones who voted us. We are therefore dedicated to ensure that the standard of living of our people is improved.

Trust us ....we are really committed in service delivery and improving the lives of our people.

Thank you.

## MUNICIPAL MANAGER FOREWORD AND EXECUTIVE SUMMARY

It is a great pleasure to give feedback to our communities through an annual report of what we have done on the 2018/2019 financial year.

The municipality ensures that it improves the lives of their communities by accelerating in service delivery. We have conducted the IDP Road shows in all 13 wards of Mthonjaneni and they become success.

Furthermore the MIG allocation has been used in constructing capital projects. Due to effective usage of funds, the government gave us the additional funding of MIG, which was R 4 Million and we have continued to deliver to our communities.

Our allocation is still not enough, but we strive to deliver the best we can. I appeal to our communities to bear with us as we work tirelessly to improve their lives.

Central to good governance is a responsive and functional municipality. The municipal governance is stable. There is functional Council, Executive Committee and portfolio committees in terms section 79 of the Local Government Municipal Structures Act are in place. Each portfolio committee undertakes its responsibility in line with the national key performance areas.

The municipality embarked on different ways in order to ensure monitoring and key controls are in place for functioning of the municipality. Various policies were developed and reviewed by council including Human Resource Policies, Finance Policies and other municipal policies. The existence of policies enables decision making and enhance implementation of operational plans. The development of standard operating procedure manuals has also been main focus in order to improve current processes, identify problem areas and provide a detailed account of operational matters within the municipality **Basic Service Delivery**

The municipality introduced the Nyusi'volume event for the first time in Mthonjaneni with the aim of giving new opportunities for our local businesses, upcoming artists and team building for our staff.

Overall performance of the municipality has improved during 2017/18 with some KPAs doing very well and some requiring much more attention due to capacity constraints which were being addressed, however none of the challenges will be experienced moving forward considering that all Senior Management positions were filled and other key positions also filled. A broader perspective of performance on all Key Performance Areas is provided report attached.

I wish to express my sincere gratitude to Councillors, stakeholders, Officials and residents of Mthonjaneni for their dedication, support and cooperation to improve service delivery as well as ensuring that our municipality continues to grow and trust us with their support within the jurisdiction of the municipality in order to make it a better place for all of us. .

I thank you

## **MUNICIPAL BACKGROUND**

Mthonjaneni is a small municipality situated in the north coast of KZN). Mthonjaneni Municipality (KZ 285) is one of the five local municipalities that make up King Cetshwayo District Municipality (KCDM) and consist of 13 wards.

Mthonjaneni municipality has 25 Councillors, with 15 from Inkatha Freedom Party (IFP), 9 from African National Congress (ANC) and one from Economic Freedom Fighters (EFF).

The administrative section has four Directorates: Financial Services Department, Community Services, Corporate Services and Technical Services.

## **POPULATION STATISTICS**

The 2018/2019 IDP Review makes use of the 2011 STATSSA Census data, the 2001 Census and 2016 community survey information. The 2011 Census Data indicates that the population of the Mthonjaneni Municipality had decreased from 50,382 people in 2001 to 47,818 people in 2011. After the redetermination of municipal boundaries in 2016 and the inclusion of four wards from the disbanded Ntambanana Municipality the Mthonjaneni municipality now has a total population of 78 883. The 2007 figures indicate a total population of 47,010 which indicates a decline of -6.69% from the 2001 population statistics. When comparing the population growth between 2001 and 2011 a total negative growth rate of -5.25% was experienced.

## Mthonjaneni Municipality; Key Municipal Demographic Information 2001 Census & 2011 Census

	After 2016 redetermination of municipal boundaries.	2011	2007	2001
<b>Total Population</b>	78883	47, 818	47, 010	50, 383

	Male	Female	Total
<b>52805001 : Ward 1</b>	<b>3496</b>	<b>4427</b>	<b>7923</b>
<b>52805002 : Ward 2</b>	<b>3254</b>	<b>3607</b>	<b>6861</b>
<b>52805003 : Ward 3</b>	<b>2898</b>	<b>3414</b>	<b>6312</b>
<b>52805004 : Ward 4</b>	<b>2822</b>	<b>2948</b>	<b>5770</b>
<b>52805005 : Ward 5</b>	<b>2878</b>	<b>3263</b>	<b>6142</b>
<b>52805006 : Ward 6</b>	<b>2908</b>	<b>3483</b>	<b>6392</b>
<b>52805007 : Ward 7</b>	<b>3481</b>	<b>4041</b>	<b>7522</b>
<b>52805008 : Ward 8</b>	<b>1609</b>	<b>1963</b>	<b>3573</b>
<b>52805009 : Ward 9</b>	<b>3244</b>	<b>3758</b>	<b>7003</b>
<b>52805010 : Ward 10</b>	<b>3815</b>	<b>4693</b>	<b>8509</b>
<b>52805011 : Ward 11</b>	<b>2375</b>	<b>2778</b>	<b>5152</b>
<b>52805012 : Ward 12</b>	<b>3407</b>	<b>4439</b>	<b>7846</b>
<b>52805013 : Ward 13</b>	<b>2069</b>	<b>2489</b>	<b>4558</b>

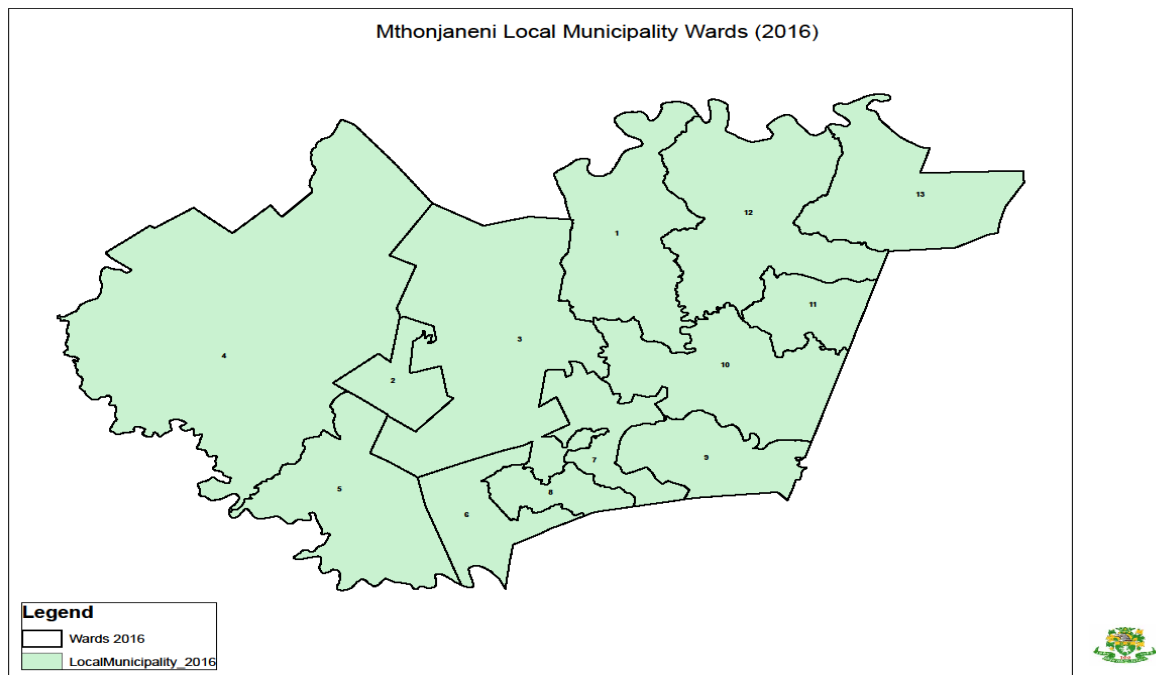
Mthonjaneni Local Municipality ward population

### IDP ROADSHOWS

Mthonjaneni municipality embarked on a series number of IDP road shows as per the Municipal Systems Act section 29 (b) (i, ii, iii) which were aimed at reviewing the IDP. Two rounds of road shows were held and were done per ward. The first round was held in November 2018 and the second round, which incorporated the budget, was 1 May 2019.

Ward councillors identified venues, which were municipal structures like community halls and pay points, where these road shows were held and the municipality made transport provision in order to ensure community attendance into the road shows





GIS: KCDM 2018

## **CHAPTER 2 GOVERNANCE**

### **COMPONENT B: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

Governance at Mthonjaneni is made up of political and administrative governance. Political governance comprise of elected councillors and council committees. Its role is to play oversight role over administration of the municipality to ensure effective and efficient service delivery. Administrative governance is undertaken through various administrative structures under the leadership of the Municipal Manager.

#### **Corporate Services Section has the following units:**

1. Municipal Administration- to manage Corporate Service administration and support services.
2. Human Resources Services- to provide Human resources services to the municipality
3. Libraries- to library, mobile library and e-library services to local community.
4. Information Technology – to manage the provision of information and communication Technology Services.
5. Public participation and Council Support.

#### **Municipal Administration**

Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 (MFMA) stipulates that: “Every Municipality and Municipal entity must for each year prepare an annual report in accordance with its guidelines.” The purpose of the annual report is to

- (a) Provide a record of the activities of Mthonjaneni Municipality Council during the financial year 2018/2019,
- (b) Provide a report on performance against the budget of the Mthonjaneni Council for the financial year 2018/2019.
- (c) Promote accountability to the local community for the decisions made throughout the year by the Municipality.







This annual performance report is prepared in terms of section 45 (b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA)

## **POLITICAL STRUCTURE**

### **EXECUTIVE COMMITTEE**

This is a Principal Committee of the Municipal Council established in terms of Section 42 of the Municipal Structures Act 117 of 1998. The Committee guides Council to make decision on Municipal functions and programmes as well as the management of administration. 13 Meetings were held by this committee on this 2017/2018 financial year.

This committee is comprised of the following members:-Councillors and their political affiliation is as follows:

Councillor Identity	Councillor Identity	Councillor Identity	Councillor Identity
 <p>Cllr. S.B.K. Biyela His Worship The Mayor EXCO Chairperson IFP</p>	 <p>Cllr P.E. Ntombela Deputy Mayor (Ward 4) IFP</p>	 <p>Cllr N.A. Mbatha Honourable Speaker Ex. Officio IFP</p>	 <p>Cllr E.N. Masikane Exco Member Ward 2 Councillor IFP</p>
 <p>Cllr D.M. Dludla Exco Member / PR Councillor Political Representation: ANC</p>	 <p>Cllr M.J. Xulu Exco Member / PR Councillor Political Representative: ANC</p>		

Various committees are in place to ensure effective oversight role on council matters

The committees are established in terms of section 79 and 80 of the Local Government Municipal Structures Act No 117 of 1998. These committees include

NO.	COMMITTEE	CHAIRPERSON	MEMBERS
1.	Executive Portfolio Committee	Cllr S.B.K. Biyela	Cllr P.E. Ntombela Cllr E.M. Masikane Cllr D.M. Dludla Cllr M.J. Xulu Cllr N.A. Mbatha –Ex – Officio
2.	Technical & Planning Services Portfolio Committee	Cllr. P.E. Ntombela	Cllr M.N. Biyela Cllr B.N. Zwane Cllr S.V. Majola Inkosi S.T. Zulu (Entembeni Tribal Court)
3.	Corporate & Community Portfolio Services Committee	Cllr. E.M. Masikane	Cllr T.E. Mpungose Cllr Z.A. Sibiya Cllr N.P. Shobede Cllr N.N. Nzuza Cllr P.S.M. Mchunu Inkosi V. Biyela( KwaSanguye Tribal Court)
4.	Finance Portfolio	Cllr. S.B.K. Biyela	Cllr J. Mlawu Cllr T.F. Zincume Cllr S.V. Majola Cllr H.K.L. Zungu Cllr M.N. Ndlangamandla Inkosi P.C. Biyela(Obuka Tribal Court)
5.	Municipal Public Account Committee	Cllr. M.S. Zulu	Cllr S.P. Buthelezi Cllr N.N. Nzuza Cllr N.P. Shobede Cllr Z.A. Sibiya Cllr T.F. Zincume
6.	Audit & Performance Committee	Mr K.N. Ngubane	Dr T.I. Nzimakwe Dr B.V. Thabethe Mr P.E. Mntambo Cllr S.B.K. Biyela: His Worship the Mayor Cllr P.E. Ntombela: Hon. Deputy Mayor Cllr M.S. Zulu: MPAC Chairperson















7.	Local Labour Forum	Mr S. Mhlongo	Cllr E.M. Masikane Cllr N.P. Shobede Mr P.P. Sibiya (Municipal Manager) Mrs S.F. Mchunu (Director Technical Services) Mr. ZS Mthethwa ( Director Corporate and Community Services) Mr S.M.J. Ndlovu (Union Representative) Mr L.F. Magwaza (Shop steward) Ms L.K. Makhiwane (Union Representative) Mr J.N. Magwaza (Union Representative)
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## 2.2 COUNCIL

Mthonjaneni is a small municipality situated in the north coast of KZN). Mthonjaneni Municipality (KZ 285) is one of the five local municipalities that make up King Cetshwayo District Municipality (KCDM) and consist of 13 wards.

Mthonjaneni municipality has 25 Councillors, with 15 from Inkatha Freedom Party (IFP), 9 from African National Congress (ANC) and one from Economic Freedom Fighters (EFF).

## KNOW YOUR TRADITIONAL COUNCIL & LEADERSHIP

 <p>iNkosi P.C. Biyela Obuka Traditional Council</p>	 <p>iNkosi S.T. Zulu eNtembeni Traditional Council</p>			
 <p>Cllr S.B.K. Biyela His Worship The Mayor PR Councillor IFP</p>	 <p>Cllr P.E. Ntombela Deputy Mayor Councillor: Ward 4 IFP</p>	 <p>Cllr N.A. Mbatha Honourable Speaker PR Councillor IFP</p>	 <p>Cllr M.N. Biyela Ward Councillor: Ward 1 IFP</p>	 <p>Cllr E.M. Masikane Ward Councillor: Ward 2 IFP</p>
 <p>Cllr Z.M. Ndlovu Ward Councillor: Ward 3 IFP</p>	 <p>Cllr Z.A. Sibiya Ward Councillor: Ward 5 IFP</p>	 <p>Cllr M.S. Zulu Ward Councillor: Ward 6 IFP</p>	 <p>Cllr T.P. Ngema Ward Councillor: Ward 7 IFP</p>	 <p>Cllr M.V. Mchunu WARD Councillor: Ward 8 ANC</p>

 <p>Cllr T.F. Zincume Ward Councillor: Ward 9 IFP</p>	 <p>Cllr J. Mlawu Ward Councillor: Ward 10 IFP</p>	 <p>Cllr D.F. Xulu Ward Councillor: Ward 11 IFP</p>	 <p>Cllr B.N. Zwane Ward Councillor: Ward 12 IFP</p>	 <p>Cllr T.E. Mpungose Ward Councillor: Ward 13 IFP</p>
 <p>Cllr S.V. Majola Political Representative EFF</p>	 <p>Cllr S.P. Buthelezi Political Representative ANC</p>	 <p>Cllr M.J. Xulu Political Representative ANC</p>	 <p>Cllr B.M.T Sibiya Political Representative ANC</p>	 <p>Cllr H.K.L. Zungu Political Representative ANC</p>
 <p>Cllr P. Shobede Political Representative IFP</p>	 <p>Cllr P.S.M. Mchunu Political Representative ANC</p>	 <p>Cllr N.N. Nzuza Political Representative ANC</p>	 <p>Cllr D.M. Dludla Political Representative ANC</p>	 <p>Cllr N.M. Ndlangamandla Political Representative ANC</p>

## EXECUTIVE COMMITTEE 1JULY 2018 TO 30 JUNE 2019


Number of meetings scheduled	4
Number of meetings held	13

### Inauguration of new Council Member: Cllr S.V. Majola






## ADMINISTRATIVE GOVERNANCE

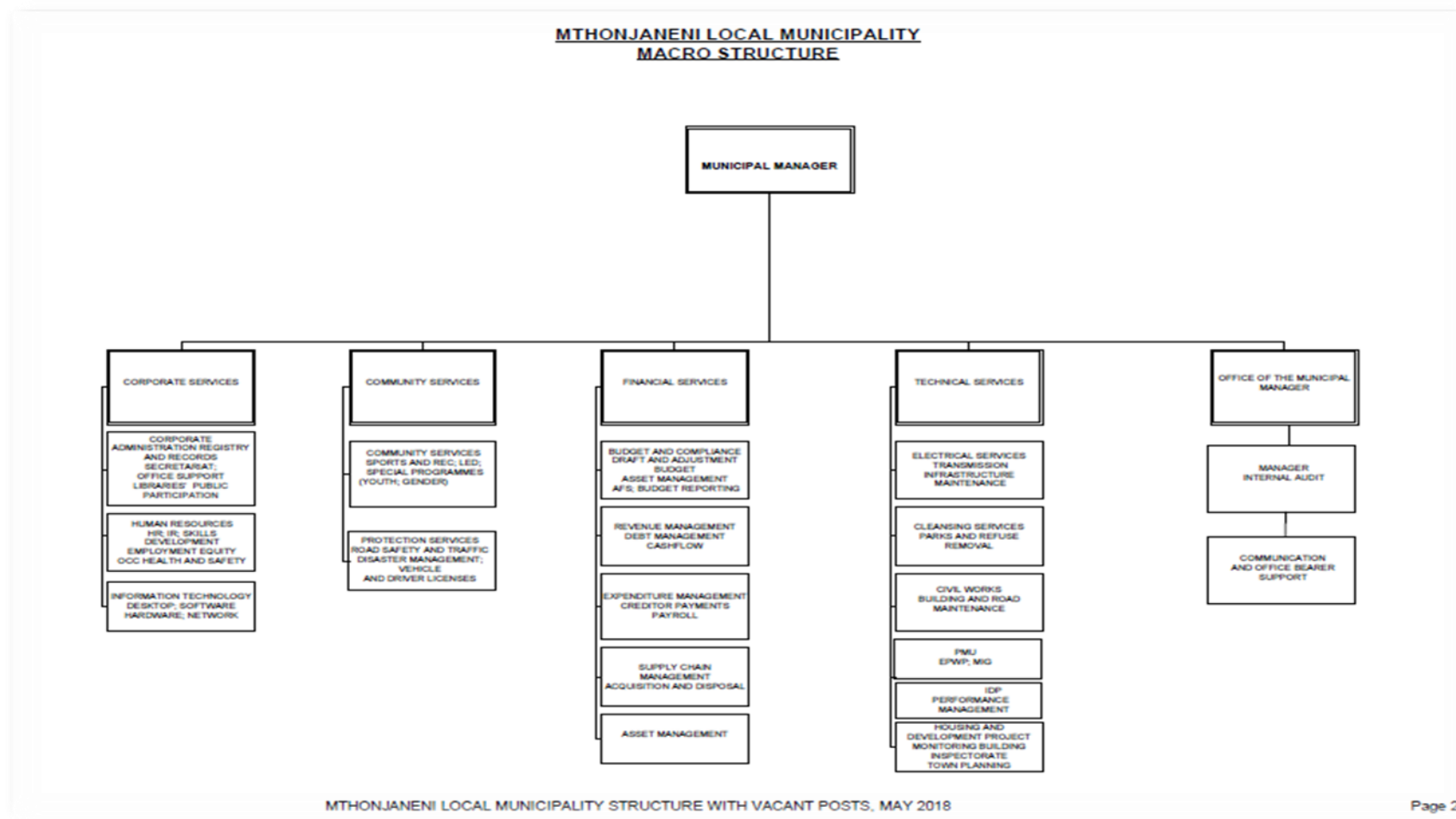
The administrative section has four Directorates: Financial Services Department, ,Corporate & Community Services and Technical & Planning Services.

	DEPARTMENT	FUNCTION
 <b>Municipal Manager</b> <b>Mr P.P. Sibiya</b>	<b>Office of the Municipal Manager</b> Comprise of the following sections: Dept Of Corporate Services Dept Of Community Services Financial Services Dept Dept of Technical & Planning Services	Municipal Manager is Head of Administration and is responsible for The management of the municipality's administration in accordance with the Local Government Municipal Systems Act of 2000 and other legislation applicable to the municipality □ The primary objective to measure, monitor and enhance the institution's performance and advise the political structures and political office bearers of the municipality.



 <p><b>Acting Chief Financial Officer</b> <b>Mr N.M. Myeni</b></p>	<p><b>Budget and Treasury</b> Comprise of</p> <ul style="list-style-type: none"> <li>• Revenue,</li> <li>• Expenditure and Supply Chain</li> <li>• Budget and</li> <li>• treasury</li> </ul>	<p>Budget &amp; Treasury manages the financial affairs of municipality to ensure the optimum use of all municipal assets. In essence, it is the protector of the public purse as it levies taxes and charges on the public, collects the taxes and charges for the public, and administers the expenditure of those taxes and charges on goods, services and assets on behalf of the public.</p>
 <p><b>Director: Corporate &amp; Community Services</b> <b>Mr Z.S. Mthethwa</b></p>	<p><b>Community Services</b> comprise of the following sections</p> <ul style="list-style-type: none"> <li>• Safety and Security</li> <li>• Disaster</li> <li>• Recreational Services</li> <li>• LED</li> <li>• Tourism</li> <li>• Human Resource,</li> <li>• Administration</li> <li>• Information Technology</li> <li>• Council Support</li> </ul>	<p>The Community Development Department's core functions is to ensure that the community is well serviced in regards to: Public Safety, Education (Libraries) Sports &amp; Recreation, Community Halls, Traffic Management,</p> <p>Enable support to Council, the Committees of Council, as well as to the Political Office Bearers, Provide an effective and efficient human resource strategic and administration, Ensure skilled workforce, Ensure fair representation of the workforce, Promote a conducive working environment Provide optimal information technology services and infrastructure</p>
 <p><b>Director Planning &amp; Technical Services</b> <b>Mrs S.F. Mchunu</b></p>	<p><b>Technical &amp; Planning Services</b> Comprise of</p> <ul style="list-style-type: none"> <li>• Electrical Services,</li> <li>• Roads and Storm Water, and Waste management</li> <li>• Project Management Unit (PMU)</li> <li>• Town Planning</li> <li>• Housing</li> <li>• Geographic Information System (GIS)</li> <li>• Building Inspectorate</li> <li>• Maintenance of Municipal Facilities</li> </ul>	<p>The Technical Services department's main objectives and functions are</p> <ul style="list-style-type: none"> <li>• to provide the basic needs of the community as well as maintain the standard of service provided.</li> <li>• The planning and development departments' primary function within the municipality is to regulate and control all development.</li> <li>• The department focuses on issues surrounding:</li> </ul>

## Organogram



## COMPONENT C: INTERGOVERNMENTAL RELATIONS

### REGISTRY

The KwaZulu Natal Archives and Records Service of South Africa Act, No 8 of 2011 requires the Mthonjaneni Local Municipality to manage its records in a well-structured record keeping system, and to put the necessary policies and procedures in place to ensure that its record keeping and records management practices comply with the requirements of the Act.

Registry Management is managed by two Records Classification Systems that are approved by the Department of Arts and Culture – Provincial Archives Services. These two systems comprises of Paper based Records Classification system and Electronic Records Classification System which is managed by Metro File.

Mthonjaneni Municipality has a centralised Registry. The new offices were built and occupied in April 2018. The Registry Office has moved to a new building with all the requirements in compliance with the outlined legislation of KwaZulu Natal Archives.



**The following is the new structure and layout of Registry.**



## RECEPTION

A reception area is where there is telephone duties of controlling the in- coming and outgoing phones as well welcoming the public. It further control booking of venues by completing booking sheets, confirms bookings maintain record of furniture in venues, order expendables for venues and report breakables and ensures maintenance.

## COMPONENT D: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### PUBLIC MEETINGS

Section 16 (1) of the Municipal systems act no 32 Of 2000 instruct municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance where community members are encouraged to actively participate in the affairs of municipality. The administrative duty of the municipality is than to establish the unity within the ranks of the municipality to drive the public participation as per the provisions of the act in question. Public participation is the process by which an organization consults with interested or affected individuals, organizations, and government entities before making a decision. Public participation is two-way communication and collaborative problem solving with the goal of achieving better and more acceptable decisions.

One of the responsibilities of Corporate Services Department is to ensure good governance and community participation. The following is the report on Public Participation and ward committees.

General aims for involving the public include the following:

- the identification of key issues of concern to the public, addressing public perceptions,
- the provision of local expertise and knowledge,
- the identification of possible alternatives/options,
- ensuring that affected groups are involved at the very beginning of project design,



- The critical review of documentation.

The separation of these objectives is somewhat artificial as the achievement of one will often depend upon the achievement of another.

Public participation is, however, necessary for increasing the legitimacy of planning decisions and enhancing the political credibility of developers.

## **FUNCTIONS OF PUBLIC PARTICIPATION OFFICE**

It is to enhance public participation in the affairs of the municipality and maintain the good image of the Municipality, by so doing encourage community members to develop a sense of ownership and become chief directors of their development. This will only be achieved through thoroughly engagement, involvement, and consultation of all Community members from all 13 Wards irrespective of their gender, religion and political affiliation.

## **KEY FUNCTIONS OF PUBLIC PARTICIPATION**

- Ward Committees
- Indigent Support
- Community engagements/ consultations such as IDP Meetings, War Rooms
- Rapid Response
- Attending of District Public Participation Meetings, Provincial Public Participation Steering Committee meeting and Speaker's Forum.

### **Ward Committees:**

The following are the indicators set by COGTA to ascertain the functionality of ward committees: <b>Indicator</b>	<b>Minimum Requirement</b>	<b>Evidence Required</b>
Number of ward committee meetings held	One meeting per month	Minutes and attendance register
Number of ward committee meetings chaired by Ward Councillor in terms of Sec 73 (2) of the Municipal Structures Act;	One meeting per month	Minutes and attendance Register
Percentage attendance by ward committee members	50% + 1	Attendance register
Number of community feedback meetings held	One per quarter	Minutes / Report and attendance register

Months	TOTAL NO OF WARDS	NO OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	EVIDENCE OF FUNCTIONALITY
July to September 2017	13	13	All wards	Minutes and attendance register in respect of all 13 wards
October to December 2017	13	13	All Wards	Minutes and attendance register in respect of 13 all wards
January to March 2018	13	13	All Wards	Minutes and attendance register in respect of all 13 wards
April to June 2018	13	13	All Wards	Minutes and attendance register in respect of all 13 wards

Despite the fact that all wards within the jurisdiction of Mthonjaneni Municipality were functional, however there were some wards with vacancies which needed to be filled. The Speaker determined the procedure for Filling of vacancies in terms of section 73 of the Municipal Structures Act. In filling the vacancies, the Speaker presented all lists of wards with vacancies to the council for the purpose of by-elections. The By- Elections were held successfully as per the supplied table.

WARD	WARD COMMITTEE	DATE OF THE ELECTION	NEW WARD COMMITTEE MEMBER	SECTOR
2	Mthandeni Makhoba	18 January 2018	Blessing Thusi	Safe and Security
4	Emmanuel Luhlazana	03 September 2017	Berly Xulu	Transport
5	Sibusiso Tembe	23 January 2018	Bongeka Nene	Youth
11	Sne Ncube	09 March 2018	Zandile Magwaza	Sports
12	Zenzinkosi Qwabe	05 March 2018	Ntombizethu Mavundla	Safety and Security

According to Municipal Structures Act No 117 of 1998 Section 73 sub section 5(a), the act speaks of Out of pocket expenses that need to be paid by every Local Municipality. Public Participation Office pays Ward Committees the stipend of R 117 000.00 for 130 people as per Council Resolution when they have submitted Ward Committee Minutes and sector reports to the office of the Speaker.

Below is the Speaker addresses the Ward Committees:



### **INDIGENT BURIAL SUPPORT**

The municipality is also assisting those needy people who have lost their relatives but are not able to bury them since they have no means of employment and other initiatives to get money to bury their loved ones

**The following reflect the numbers of the assisted beneficiaries per ward in the year under reporting:**

<b>Ward</b>	<b>Number of Beneficiaries</b>
<b>1</b>	<b>49</b>
<b>2</b>	<b>22</b>
<b>3</b>	<b>29</b>
<b>4</b>	<b>44</b>
<b>5</b>	<b>54</b>
<b>6</b>	<b>46</b>
<b>7</b>	<b>43</b>
<b>8</b>	<b>39</b>
<b>9</b>	<b>48</b>
<b>10</b>	<b>22</b>
<b>11</b>	<b>27</b>
<b>12</b>	<b>26</b>
<b>13</b>	<b>19</b>

## ROLE OF PUBLIC PARTICIPATION IN THE WAR ROOMS

The Public Participation Office ensures that the ward committee members participate in the war rooms meetings since they form part of the stakeholders that need to report in the war room structure.

## RAPID RESPONSE

Municipality also encourages all Community members to have a criteria of reporting their complains rather than resulting to violent activities that would destroy the community facilities/ structures given to them e.g Halls, P- Centres, and roads.

There is a committee in place established by the municipality. It consists of Senior Managers and the Councillors. The Speaker chairs the committee. In the year under reporting terms of reference were established and approved by the Council. About 3 meetings that were held.

## SERVICE DELIVERY/PUBLIC PROTESTS

DATE	MUNICIPALITY	NATURE OF COMPLAINTS	WARD	INTERVENTION	STATUS
<b>MTHONJANENI MUNICIPALITY</b>					
23/01/2018	Mthonjaneni Municipality	Electricity Infills	3	Municipality convened the meeting with Ward 3 Community Members and all areas of infills were covered since the project Soqiwa Makhasaneni was still on site	All household were covered by the contract or on site
14/09/2018	Mthonjaneni Municipality	Electricity infills	7	Municipality convened the meeting with Community members and explained that all households that were left for infills will all be assisted since the Contractor was still on site	All Household left for electricity were to be covered by the contract or on site

## **Below His Worship The Mayor addresses the Community on the Rapid Response issues**



### **DISTRICT FORUMS**

#### **DISTRICT PUBLIC PARTICIPATION MEETINGS**

These meetings sit once every month at King Cetshwayo District. Public Participation Office attend these meetings with the aim of improving public participation Office and also make a uniform Office in all 5 Local Municipality of King Cetshwayo District as far as Ward Committee Functionality is concerned.

#### **PROVINCIAL PUBLIC PARTICIPATION STEERING COMMITTEE MEETING**

These meetings sit once every quarter in Durban or Pietermaritzburg, depending on the venue chosen by COGTA Public Participation Unit. Public Participation Officers are expected to attend these meeting to form a uniform Public Participation Office in all the Local Municipalities in the KZN province. COGTA Public Participation sets the standard for Functionality of Ward Committees, Ward Operational Plans and Ward Base Plans.

#### **SPEAKER'S FORUM.**

These meetings sit every quarter depending on the venue chosen by the District Speaker. Public Participation Officer attends the Speaker's Forum with the aim of maintaining the standard of work required in the Office of the Speaker such as maintaining functional Ward Committees by ensuring that Ward Committees do submit reports to COGTA. Public Participation Officer attends the Speaker's Forum to support the Office of the Speaker. eg. When there are IDP Road Shows the Speaker's require Public Participation Office to mobilize the Community members to attend IDP Road Shows.

## HUMAN RESOURCE MANAGEMENT

Human Resources Management has the following functions

- Recruitment and Selection
- Management of Employee benefits
- HR Strategic Planning
- Management and Development of Policies
- Management of Job Evaluation for the municipality
- Management of remuneration framework
- Management of appeals and disputes
- Handle grievances and disciplinary matters
- Provide Labour Law function for the Municipality.

### STAFF ESTABLISHMENT

Employees per Section				
DEPARTMENT	NO. OF POSTS	FILLED POSTS	VACANT (BUDGETED)	VACANT (NON-BUDGETED)
Office Of The Municipal Manager	6	6	0	0
Community and Corporate Services	75	65	2	0
Financial Services Department	26	24	2	0
Technical Services	60	55	5	0
TOTAL	167	151	16	0

**STAFF TRAINING REPORT**

<b>DEPARTMENT</b>	<b>NO. OF EMPLOYEES TRAINED</b>	<b>TRAINING PROGRAMME</b>
Financial Services Department	1	MBA
Corporate & Community Services	1	Local Government Certificate
Corporate & Community Services	1	Bachelor of Public Administration
Financial Services Department	1	Principles of Payroll & Basic Report Writer
Corporate Services Department	1	Principles of Payroll & Basic Report Writer
Corporate Services Department	1	HR Leave Modules
Technical Services	2	Electrical Course 2
Financial Services	1	Programme in Purchasing and Supply Chain Management
Technical Services	1	B-Tech Construction Management
Office of the MM	1	Bachelor of Public Administration
Corporate Services	1	Bachelor of Public Administration



**APPOINTMENT OF NEW STAFF MEMBERS 2018/2019**

<b>EMPLOY EE NO.</b>	<b>EMPLOYEE NAME</b>	<b>GENDE R</b>	<b>DATE APPOINTED</b>	<b>OCCUPATION</b>	<b>DEPARTMENT / SECTION</b>
TE21900 1	S P Buthelezi	F	2019/02/04	Reception Reliever (contract)	Corporate Services
TE21900 2	S B ZULU	M	2019/02/25	Call Centre Operator (Contract)	Community Services
2018211	L R Mbambo	F	2018/11/07	HR Clerk	Corporate Services
2018212	S E Biyela	M	2018/11/07	Messenger	Corporate Services
2018623	S T Buthelezi	F	2018/11/19	Finance Intern	Financial Services
2016202	K T Magwaza	M	2018/09/03	HR Officer	Corporate Services
514	N M Biyela	M	2019/02/20	Senior IDP/PMS Officer	Technical Services
2018711	V Moleme	M	20/08/2018	Operations and Maintenance Civil Technician	Technical Services
2018633	Z N Mdlalose	F	2018/09/01	Financial Management Intern	Financial Services

## OCCUPATIONAL HEALTH & SAFETY

Occupational Health is the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations by preventing departures from health, controlling risks and the adaptation of work to people, and people to their jobs.

### **Objectives of the Occupational Health and Safety Act 85 of 1993 are;**

- To provide for the health and safety of persons at work;
- And for the health and safety of persons in connection with the use of plant and machinery;
- The protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work;
- To establish an advisory council for occupational health and safety;
- And to provide for matters connected herewith.

In terms of the OHS Act 85 of 1993 section 9(1); every employer shall conduct his undertaking in such a way that persons other than those in his employment who may be directly affected by his activities. Subject to such arrangements as may be prescribed, every employer whose employees undertake listed work or are liable to be exposed to the hazards emanating from listed work.

### **Compliance Training**

Legal Liability and Incident Investigation Training was conducted for management and supervisors. The training was successfully held in-house by an external service provider.

The Occupational Health and Safety organogram is therefore completed by appointing already existing employees into positions prescribed in the OHS Act 85 of 1993. Namely;

**Supervisor:** Head of Department; CORPORATE SERVICES  
-SEC 8(2)(i) SUPERVISOR APPOINTMENT

**Health & Safety Rep:** OHS OFFICER  
-SEC 17 - H & S APPOINTMENT

**H&S Committee Members:**  
-SEC 19(3) EMPLOYER APPOINTMENT

**Fire Fighters:**  
-ENVIRONMENTAL REGULATION 9(1) AND GENERAL SAFETY  
REGULATION APPOINTMENT

**First Aiders;**  
- FIRST AIDER GENERAL SAFETY REGULATION 3 APPOINTMENT

**Incident Investigator:** OHS OFFICER  
-GAR 8(1) INCIDENT INVESTIGATOR

### **Hazard Identification and Risk Assessment (HIRA)**

- In terms of Occupational Health and Safety Act 85 of 1993 General Safety Regulations section 2 states that every employer and every user of machinery shall make an evaluation of the risk attached to any condition or situation which may arise from the activities of such employer or user, as the case may be, and to which persons at a workplace or in the course of their machinery are exposed, and he shall take such steps as may under the circumstances be necessary to make such condition or situation safe.

- The aim of this procedure is to ensure and facilitate the effective management of hazards and risk. This report describes the mandatory processes, requirements, and advisory guidance for managing occupational health and safety hazards and risks.
- Compliance with this procedure is mandatory.

## **Hazard Identification and Risk Assessment (HIRA)**

### Types of OHS Risk Assessments

#### **Baseline Risk Assessment**

- Baseline risk assessment refers to the OHS hazards and risks that are identified and assessed before the inception of a new project and commencement of operations. The baseline risk assessment shall include both routine and non-routine tasks.

#### **Issue-based risk assessment**

- If there is no baseline risk assessment, the issues-based risk assessment must cover all aspects of the job, core activity, as well as circumstances.
- Issue-based risk assessment needs to be performed prior to every activity or task.

#### **The job specific risk assessment**

- Known as (Pre-task risk assessment), shall be completed as part of the pre-job planning processes by the supervisor or responsible person(s), together with all the people who will be performing the task.
- The job specific risk assessment shall be conducted at the location where the activity takes place to ensure that all circumstances can be evaluated properly.
- All people who participate in the activity must be trained on the contents of the risk assessment to ensure that they understand the hazards associated with the task.
- When circumstances change during the course of the activity, activities must be stopped, and job specific risk assessment must be again updated and discussed with all involved in the task. This will form part of continuous risk assessment.
- It is the duty of the Supervisor to ensure that effective continuous risk assessment actually takes place in the work place.

## **Hazard Identification**

Hazard Identification is the procedure where the purpose of the risk assessment is determined through listing of all activities that are to be performed by Mthonjaneni municipality, taking into account the community.

The procedure is used to identify hazards that have an impact on the health and safety of employees, and environment. Hazards are generally tangible and can be seen, heard, felt, measured, smelt, or determined through the use of one's senses.

## **Risk Identification**

Identify risks attached to listed hazards, and list the implications and causes of such risk. Describe the risks in terms of an event, changes in the situation, circumstances, and how these lead to consequences.

Record the identified risks in the risk register, with the following information:

- A description of the risk, its possible cause, and consequence
- The risk owner (typically responsible manager)
- The risk category (Safety or health).

## **Assess and Analyze risk**

This is a step where risks are analyzed in order to determine the effectiveness of existing control measures and implement further control measures to minimize the consequences of those risks for the health and safety of employees.

## **Monitoring risk**

On continuous basis, Mthonjaneni municipality will have to review/re-analyze the identified risks and control measures at intervals determined by legislative requirements or if a change in the risk.

Where frequency of review is not prescribed by specific regulations or standards, the risk assessment may be reviewed annually.

## **Report risk**

Risk assessment shall be discussed with all employees, and implementation of control measures is to be supervised.

## **SHE Committee**

In respect of OHAS act regulation 19 An employer shall in respect of each workplace establish one or more health and safety committees and, at every meeting of such a committee as contemplated in subsection (4), consult with the committee with a view to initiating, developing, promoting, maintaining and reviewing measures to ensure the health and safety of his employees at work

Our SHE committee has been formed and is functional. Members were appointed in writing by the Municipal Manager as the official 16.2 Appointee according to the OHS Act. SHE Committee meetings are convened quarterly as per regulation 19(4) of the OHS Act 85 of 1993.

SHE Committee SHE Representatives have not received formal training for their roles in the 2018/2019 financial year due to budget constraints. This is receiving priority with management. A request for trainings in level 1 First Aid and SHE Representative has been put forward in respect of the SHE Committee.

## **Emergency Preparedness Report**

Emergency situations threaten, or may cause harm to the lives of employees, members of the public, damage to property, infrastructure, equipment, degradation to the environment and disturb production and the rendering of services.

The purpose of Emergency Preparedness is to ensure that all sites meet the minimum requirements for prevention and mitigation of identified risks, mitigate the severity of the consequences to personnel, property, equipment, infrastructure, environment, rendering of services and production.

A suitable plan and procedure for emergency situations, including rescue operations will be prepared and communicated to all personnel, project employees, subcontractors and visitors.

Mandatory emergency preparedness drills will be conducted to test the effectiveness of the plans and procedures prepared.

In order to ensure an appropriate response to emergency situations, adequate number of suitably trained and competent personnel to form part of the emergency response team shall be appointed.

## **Emergency Preparedness Response**

Training and awareness of the procedure in which to follow in the event of an emergency situation is required in order for all risk be taken into account and removed or mitigated.

The list of emergency telephone number to use in the case of an emergency shall be displayed in prominent places where employees and visitors are able to see. It is also important to identify areas by location so as to assist the emergency response team.

Health and Safety reps in departments will have their names and photograph displayed in their respective sections in order to create visibility, awareness and alertness in the event of an emergency situation.

A floor plan complete with emergency escape routes and an emergency assembly point is required for all sites and buildings. All personnel will receive training on the procedure. This procedure requires the effectiveness to be reviewed in line with all identified and worst-case scenario hazards and risks.

Emergency preparedness is inclusive of contractors and visitors in the premises or on site thus at a given time, in the case of emergency the responsibility for all persons lies with the municipality, therefore access for visitors must be controlled. Permit for access into sites and buildings is crucial.

Contingency plans that are not covered in the emergency preparedness must be developed according to the relevant procedures and documents that detail the content of such procedures;

- Response and recovery for managerial, administration and facilities (alternative office space, staff back-up and power back-up).
- Response and recovery of information management and;
- Response and recovery of security system attack (crowd control).

## **First Aid**

- The employer shall take reasonable steps that are necessary under the circumstances, to ensure that employees at work receive prompt first aid treatment in case of injury or emergency.
- The employer shall provide a first aid box or boxes at the workplace which shall be available and accessible for the treatment of injured employees at the workplace.

- The first aid box or boxes shall contain suitable first aid equipment which includes at least the equipment listed in Annexure A of the General Safety Regulations in terms of the Occupational Health and Safety Act.
- For every group of up to 100 employees the relevant Institution Manager shall designate a First Aider to assist with first aid treatment at the workplace. Such person shall be trained at departmental expense to obtain a valid certificate of competency in first aid, issued either by –
  - SA Red Cross Society;
  - St John's Ambulance;
  - SA First Aid League; or
- (d) a person or organisation approved by the Health and Welfare Sector for Education and Training Authority (HWSETA) and / or Chief Inspector :Occupational Health and Safety as contemplated in the Occupational Health and Safety Act.
- Such first aid person shall attend a course to update/refresh his/her first aid knowledge/skills.
- The name(s) of the first aid person as indicated in paragraph 8.3 as well as where the first aid box or boxes are kept shall be written on or next to each first aid Box.
- Each injury on duty shall be written on the prescribed forms as indicated in the Compensation for Occupational Injuries and Diseases Act and shall be reported to the Health and Safety representative as well as the local Human Resources Management component. The relevant Human Resources Management component shall forward the forms to the Compensation Commissioner in order to register the injury on duty. Copies of all reported work related injuries shall be submitted to the local Department of Labour.
- Should the circumstances determine, any injured person shall be provided treatment to avoid contracting HIV/AIDS, HEPATITIS B and or any other similar disease.

### **Injury-on-duty**

Cases of Injury-on-duty as reported in financial year 2018/2019;

<b>Date of Incident</b>	<b>Employee Name, Occupation and Employee No.</b>	<b>Nature of Injury</b>	<b>Brief Description and Action taken</b>
2018 August 15	Manqele Pretty Zanele; General worker (58)	First Aid	Upon arrival at work in a municipal vehicle Miss Manqele was climbing off from the van when she twisted her ankle. No clinical fracture detected by a medical practitioner at St Mary's KwaMagwaza Hospital. No hospitalization was required.

2018 August 28	Zondo Sboniso; EPWP Beneficiary (EP218086)	First Aid	Mr Zondo was working with a team cutting down trees. A log fell from a tree to the ground and pieces of the log jumped into his left eye.
2018 October 30	Masuku Thulisile; General Worker (32)	First Aid	Miss Masuku was collecting refuse in black bags and putting them in the truck and hurt her foot in the process. She was taken to St Marys kwa Magwaza Hosp where a medical practitioner said her ankle was sprained and no hospitalization was required.
2018 November 13	Msimango Mantombi; EPWP beneficiary (EP218049)	First Aid	Miss Msimango was getting off the staff vehicle and she missed her step therefore falling onto the ground and sprained her leg. A medical practitioner assessed her at St Mary's KwaMagwaza Hospital. No hospitalization was required.
2019 February 2019	Zwane Makhosonke; EPWP Beneficiary (218128)	First Aid	Mr Zwane was refueling the brush-cutter machine next to another co-worker doing the same. The co-worker started his machine and startled Zwane. He turned around upon the sound and the co-workers machine cut and bruised the outer right hand of Zwane.



## **SHE Contractor Management**

- Contractors are held accountable for SHE operations within the project and on site. Safety Files are evaluated by the OHS Officer for compliance with terms and regulations stipulated by the specification given to the Contractor or Project Manager.
- SHE Files are submitted to the OHS unit by the project Safety Officer and returned with the evaluation outcome.

## **Visit from Department of Labour Inspector**

- On 28 August 2018 an official from the Department of Labour visited the organization with the purpose to inspect the standard of compliance with Labour Relations and OHS Act.
- A notice of contraventions was subsequently issued. A list of issues the Inspector found to be in contravention with the Act was sent to the organization to investigate and bring to compliance.
- The notice can be found in Annexure 1 of this report.
- Upon investigation and corrective action the official response signed by the Municipal Manager can be found in Annexure 2.

## **Comments by the Occupational Health and Safety Officer**

- This exercise of Risk Assessment and Hazard Identification is compulsory and is a requirement by law.
- Following an inspection by a Labour Inspector a notice of contravention issued by the provincial department to Mthonjaneni municipality with regards to non-compliance in this regard.
- Should it however be found at a subsequent inspection that Mthonjaneni municipality has failed to comply with the notice, criminal proceedings may be instituted.

## **Recommendations in financial year 2018/2019**

- Management notices the report and views the recommendations with priority because contraventions of the OHS Act may lead to criminal proceedings against the municipality;
- Mthonjaneni Municipality needs to fully comply with OHSAS 85 of 1993. To achieve this, further training of role-players in the management of Occupational Health must be acquired;
- The contravention issued by the Department of Labour receives priority attention from management because failure to comply may result in criminal charges being laid against the municipality and personal liability may apply to management.
- Refresher training be facilitated for relevant employees and management;
- OHS awareness and adherence is raised within staff departmentally. This can see OHS as a standing item in staff department meetings;
- First Aiders be appointed in writing and be allocated to sections and different departments within the municipality;
- Appointment letters shall state clearly area of responsibility and the term of the appointment. Appointment should not run over the validity of competency certificate;
- The number of First Aid boxes required shall be determined according to the needs analysis and the risk assessment of the workplace;

- The name, photograph and emergency telephone or mobile phone number for the allocated Fire Fighter shall be communicated to employees and boldly displayed in prominent places in all departments;
- Regulation 7 states that the employer must ensure that only articles and equipment as mentioned in Annexure A of the Occupational Health and Safety Act or other similar equipment or medicine is kept in the first aid box or boxes. According to the Medicines and Related Substances Control Act 101 of 1965, no person is allowed to dispense a medicine (i.e: headache tablets, cough mixture, any other oral medicine) unless authorized to do so under the Pharmacy Act;
- SHE Committee members are formally trained for maximum participation in SHE management and awareness departmentally;
- A qualified Medical Practitioner is appointed by the municipality to carry out medical surveillance duties.
- SHE Contractor management must improve in that the PHS Officer should visit sites to verify the information detailed therein.
- Regular Planned-Job-Observations are carried out by the OHS Officer with the purpose to determine the hazards and risks employees may come into contact with in the execution of their duties;
- The OHS officer is allocated a travel allowance benefit in order to carry out the duties of SHE management in all municipal office and sites, in all Contracted projects as well as in the case of injury-on-duty where injured municipal employees that may not require the aid of an ambulance may be taken to the nearest medical station and where follow-up hospital visits are necessary;
- Injury-on-duty procedure is populated to all sections heads and employees. To eliminate the incorrect and late reporting of injuries and incidents;
- Fire-Fighting equipment register is compiled and the equipment is serviced regularly and where necessary is replaced timeously;
- Emergency Evacuation Plan is drafted and adopted subject to management and Council approval.

## LIBRARY SECTION

Municipal Library is the only library that is serving the whole community of Mthonjaneni. This library is considered fundamental to the development and upliftment of this community it is also the heart of Mthonjaneni community. The access to this library creates and sustains a reading culture. The value of our library in terms of support of literacy, education and the principle of lifelong learning forms an integral part of our democracy. To ensure the provision of these services, our library is committed to developing and sustaining a culture of reading and provision of access to information for all people of Mthonjaneni.

The library has been used to its full capacity especial in the afternoons and on weekends by school learners and adult learners. Sometimes you find that some learners don't even have the chairs to sit on and they sit on the floor or between the shelves.



**Staff member checking learners.**



**This is how our library looks like in the afternoons.**

### **SERVICES OFFERED BY LIBRARY**

Services offered by our library includes material in all formats (books, music, audio books, DVDs, posters, games that is chess and monopoly, newspapers and magazines). Free public internet access is also available in our library. We also have Cybercadet (library computer assistant) to develop ICT skills in computer users and to manage the internet facilities in the library.



**World Play Day**





**Library Week**



**Learners with their gifts that they received during the career guidance.**

**It was pencil cases written be a WOW Woman @ your library**



**World Book Day, library visited Siyathuthuka crèche at Thubalethu**



**Mr Ndoda giving chess classes.**





### Outreach (Ntembeni High School)

#### INFORMATION TECHNOLOGY

Mthonjaneni Municipality Information Technology (IT) unit proactively facilitates corporate service excellence through the provision and planned evolution of technology and related following support services:

- ✚ Provide reliable, secure, and easily accessible IT infrastructure to meet the business and service needs of the municipality.
- ✚ Plan, implement, and maintain the corporate desktop, IT Service Desk, printing and telephony infrastructure.
- ✚ Support the applications that the corporation uses as a municipal services provider.



## SECTION 1: Key Initiative Summary

### Key Initiative

*Technology Services Division...building and securing the IT infrastructure*

### Mandate

IT Services Division's mandate is to provide a reliable, secure easily accessible, and highly performance IT infrastructure to meet the business and service needs of the municipality. To plan, implement, manage and maintain the corporate desktop, printing, telephone, and converged infrastructure to ensure that they meet the business needs of the corporation by:

- Designing quality network, server, and IT security systems that accommodate and protect the Municipalities electronic information.
- Deploying, maintaining, and replacing systems according to industry best practices for IT life cycle management.
- Developing and implementing IT policies, procedures, and processes that safeguard the Mthonjaneni Municipality IT investments.
- Supporting departmental and corporate technology initiatives through network integration and automation.
- Providing Level 1, 2 and 3 technical support for all desktop, printing and telephony issues.
- Engineer and maintain the corporate distributed desktop architecture and mobile device fleet.
- Manage and maintain the corporate phone system.
- Providing a Technical Service Help Desk for the entire municipality.
- Implement convergence technologies involving access control, security camera systems, and building automation.

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communication Technology is a Section in the Directorate Corporate Services, and its focus areas include but not limited to: Network Administration, System Administration, New Technology implementation, ICT Service Continuity and ICT Governance.

### ICT GOVERNANCE:

Information technology governance is a subset discipline of corporate governance focused on information technology (IT) systems and their performance and risk management. The rising interest in IT governance is partly due to compliance initiatives, but more so because of the need for greater accountability for decision-making around the use of IT in the best interest of all stakeholders.

IT capability is directly related to the long term consequences of decisions made by top management. Traditionally, executives deferred key IT decisions to the IT professionals. This cannot ensure the best interests of all stakeholders unless deliberate action involves all

stakeholders.

IT governance systematically involves everyone: council, executive management, staff and customers. It establishes the framework used by the organization to establish transparent accountability of individual decisions, and ensures the traceability of decisions to assigned responsibilities.

The primary goals for information technology governance are to:

- (1) assure that the investments in IT generate business value, and
- (2) mitigate the risks that are associated with IT.

This can be done by implementing an organizational structure with well-defined roles for the responsibility of information, business processes, applications, ICT infrastructure, etc

## **RESOURCE MANAGEMENT**

Resource Management looks at how IT optimizes and manages critical IT resources

- Hardware and software asset management
- Third party service providers & Outsourcing
- Standardized architecture
- Financial management – service costing

We have developed number of control and procedures: User Control, Change management and annually deployed SEKCHECK to check on vulnerabilities. A dedicated IT Training schedule needs developed to ensure that appropriate methods and adequate skills exist to manage and support IT projects and systems.

## **VALUE DELIVERY**

Value Delivery ensures that value is obtained from investment in information technology and is an essential component of IT governance. It involves selecting investments wisely and managing them throughout their life cycle—from inception to final retirement. It involves making sure that IT delivers appropriate quality on-time and within budget and examines how actual cost is managed and how the Return On Investment (ROI) is determined.

- Identifying project value drivers
- Identifying service value drivers
- Project management
- External benchmarking

We need to develop a Service Delivery and Budget Implementation Plan to ensure that IT value is the on-time and within-budget delivery of appropriate quality, which achieves the benefits that were promised. The ICT Section continually report on it Service Delivery and IT Steering committee quarterly performance through the established reporting channels in the municipality.

## RISK MANAGEMENT

Risk Management is about the safeguarding of IT assets, disaster recovery and continuity of operations including security and information integrity.

Requires risk awareness by senior management, a clear understanding of the enterprise's appetite for risk, understanding of compliance requirements, transparency about the significant risks to the enterprise, and embedding of risk management responsibilities in the organisation.

- Organizational risk appetite
- Project and investment risk mitigation
- Information security risk mitigation
- Operational risk mitigation
- Compliance regulatory mandates
- Audit

We still need to develop an IT Risk Register and an Action Plan as an internal control to manage risks. The municipality has an approved IT Disaster Recovery and Business Continuity Plans.

The Information and Communications Technology section has a backup policy, and our backups are daily, weekly and monthly. Our Financial Information system, inclusive of payroll has an onsite data recovery solution, in that data is backed up to the server every day.

## SERVICE STATISTICS FOR ICT SERVICES

User Account Creation: 100% Turn around

System Administration: 68% Compliance

Network Administration: 74% Availability

Program Change Management Policy: 90%

Laptops & Desktops: 92

Multi Functioning Machines: 9

Number of Licenses:

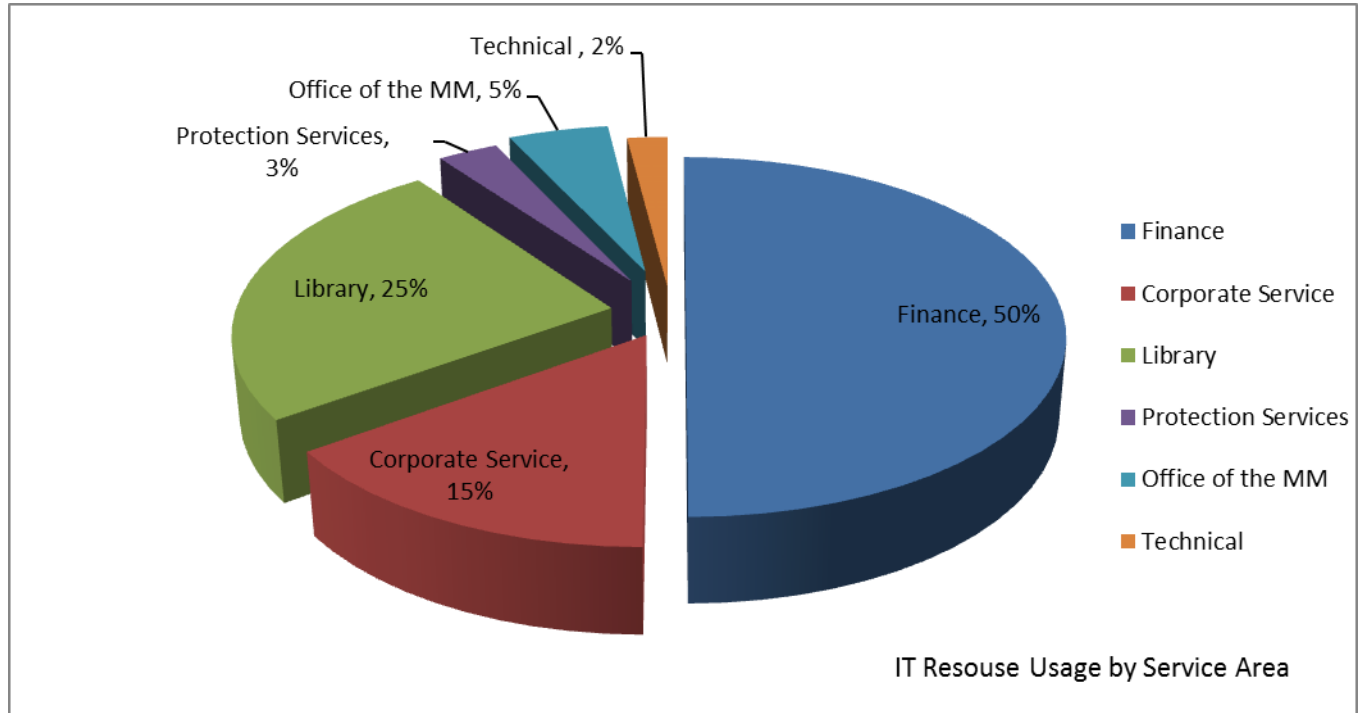
- Server CALS: 55
- PayDay: 6
- Sage Evolution: 20
- Office 365: 55
- Cibecs Endpoint Backup System: 55
- Panda Endpoint Protection: 55

<b>1. WEBSITE</b>
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<b>Municipal Website: Content and Currency of Material</b>	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year -)	Yes
The annual report (Year 0) published/to be published	Yes
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)	Yes
All long-term borrowing contracts (Year 0)	No
All supply chain management contracts above a prescribed value (give value) for Year 2018	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2018	No
Contracts agreed in Year 2013 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 2018	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2018	Yes

## PERFORMANCE MEASUREMENT

The next graph demonstrates the allocation of IT staff time on support calls by service area.



### Performance Measurement

The IT Division needs a more accurate measuring tool to get more accurate performance indicator.

### Customer Satisfaction

This table breaks down assignments by division and indicates that IT is not meeting the industry of 85% resolved on time. Overall the departmental statics of 70.13% warrants a rating in the middle range of the performance scale and is trending is a positive direction, which is a modest improvement.

Divisional Statistics for 2018/19	Assignments Resolved	Percentage Meeting Target
Client Services	365	98.00%
Corporate Applications	12	100%
Technology Services	37	82.5%
Projects and Services Management	3	0%
Total for IT Division	<b>417</b>	<b>70.13%</b>

**PROJECTS**

**Installation of 11 Network Points at the Council Chamber Building**



**Installation of 11 Internet Protocol Telephones at the Council Chamber Building**





**Installation of 5 Internet Protocol Telephones and 5 Network Points at the Parkhomes**

## COMPONENT E: FINANCIAL SERVICES

The Financial Services Department is primarily responsible for the following functions:

- Payment for goods & services
- Management of Municipal Bank Account and its Investments
- Preparation of management accounts and financial statements
- Preparation of Municipal Budget
- Implementation of management system that will ensure properly safeguarding, effective, efficient, economical and transparent use of municipal assets.
- Ensuring implementation of Supply Chain Management systems that are fair, equitable, transparent, competitive & cost effective comply with prescribed regulatory framework for municipal Supply Chain Management.
- Provision of revenue, valuation and debt management services

The municipality maintain the books in line with the relevant pieces of legislation that governs the municipalities. The tables below indicate the municipal financial performance for the year. This includes revenue and expenditure estimates as well as the actual figures in the annual financial statements. 54.87% of the revenue estimates was collected which constitutes 35.68% of property rates and 25.97% collected from the sale of electricity.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure on non-essential and 'nice-to-have' items. The 2018/2019 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The council adopted cost containment measures in accordance with Cost Containment Regulations & MFMA Circular No. 82. The council also adopted the financial recovery plan measures that were implemented in an effort to address the impact of financial losses that we are incurring largely as result of subsidising the electricity distribution function, rising levels of long outstanding debtors.

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community. The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

## FINANCIAL HEALTH OVERVIEW

The municipality began the financial year with a cash balance of R3.6 million

FI	NANCIAL	OVERVIEW	–
	2018/2019		
	R'000		
Grants	76,672	76,672	76,672
Taxes, Levies and Tariffs	41,164	48,164	35,737
Other	10,385	19,200	4,460
Subtotal	128,221	144,036	116,689
Less expenditure	124,600	139,423	153,971
Net Total	3,621	4,613	(37,282)
* Note: Surplus/(deficit)	Non-cash items		

## OPERATING RATIOS

Employee cost	33.26
Repairs and Maintenance	2.98
Finance charges and depreciation	11.36

## OPERATING RATIOS

Employee related cost is 33,26% of total operating expenditure while the norm recommended by National treasury is between 30% and 35%. Repairs and Maintenance must be 6% of operating budget in terms of the norm by National Treasury while the municipality is sitting at 2.98. Finance charges and depreciation make up 11,36% of total operational expenditure.

TOTAL CAPITAL EXPENDITURE 2018/19	2016/17 –		
	2016/17	2017/18	2018/19
Original Budget	34,241	39,683	36,339
Adjustment Budget	52,654	49,423	37,565
Actual	37,339	41,735	34,973

## Indigent Support (Including Free Basic Services)

The majority of the population in Mthonjaneni Municipality is indigent; this has an impact of reduced revenue. The Municipality receives the free basic grant from National Treasury, which is utilized to offer the following free basic services:

- Free 50kwh of electricity a month
- Free rates up to the value of R50, 000

- Subsidies refuse rates for indigent customers
- These allocations are per the national government policy guidelines

### **Revenue Enhancement and Protection Strategies**

The following strategies are to be implemented:

- Review and implementation of the credit control policy strict management of the indigent register.
- Access to electricity through third party vendors.
- Customer awareness on illegal electricity connections.
- Data Integrity to assist the municipality with regards to data cleansing in order to have reliable, credible and accurate debtors data for reliable output.
- Debtor Profiling & Collectability to assist the municipality with regards to collectable amounts from old outstanding debts.

### **Municipal Consumer Debt**

The increased number of indigents is negatively affecting the municipality's ability to collect all service revenue billed; there has been a considerable increase in the debtor's balances over 90 days as a result of this. These outstanding balances have been adequately provided for as doubtful debts.

### **Current and Planned Borrowings**

The municipality has no current or planned borrowings.

### **Municipality's Credit Rating**

The municipality does not have a credit rating currently.

### **Employee Related Costs (Incl. Councillor Allowances)**

The employee related costs account is approximately 35,76% (R 55 Million) of the total expenditure.



## Supply Chain Management

Mthonjaneni municipality currently has Supply Chain Management Unit that manages the flow of goods and services guided by the municipal SCM policy. The policy of council that regulates procurement of goods and service has three sections, i.e. SCM policy, Standard for Infrastructure Procurement and Demand Management (SIPDM) and Preferential Procurement regulations. National Treasury issues circulars regularly to assist in the implementation of the council policies.

## Status of Bid Committees in 2018/2019

The municipality has established BID Specification, Evaluation and Adjudication committee that is fully functional.

## FINANCIAL PERFORMANCE

The tables below reflect the summary of Financial Performance on three components namely:

- (a) Statement of Financial Performance
- (b) Spending against capital budget
- (c) Other Financial matters

All conditional grants were fully spent during 2018/2019 and as a result National Treasury allocated municipality additional R 4 Million on Municipal Infrastructure Grant (MIG).

OPERATIONAL EXPENDITURE PERFORMANCE BY VOTE								
VOTE DESCRIPTION Revenue by Vote		Year 2017/2018		Current Year 2018/2019			Year 2018/2019 Variance	
		Actual		Budget	Adjustments	Adjusted Budget	Actual	Budget Original (%)      Adjustment Budget (%)
Vote 1	Council	R 11 743 974,25	R	12 546 000,00	R 132 000,00	R 12 678 000,00	R 24 657 973,63	96,54      94,49
Vote 2	Municipal Manager	R 11 603 067,12	R	6 917 000,00	R 2 642 000,00	R 9 559 000,00		-100,00      -100,00
Vote 3	Finance & Administration	R 53 019 999,51	R	34 208 000,00	R 2 414 000,00	R 36 622 000,00	R 35 385 695,15	3,44      -3,38
Vote 4	Community & Social Services	R 19 665 014,05	R	9 432 000,00	R 2 771 000,00	R 12 203 000,00	R 26 381 079,72	179,70      116,19
Vote 5	Public Safety	R 1 444 570,40	R	11 815 000,00	R 1 793 000,00	R 13 608 000,00	R 8 836 104,06	-25,21      -35,07
Vote 6	Planning and development	R 12 331 029,62	R	3 811 000,00	R 1 080 000,00	R 4 891 000,00		-100,00      -100,00
Vote 7	Road Transport	R 8 395 779,37	R	16 950 000,00	R 3 896 000,00	R 20 846 000,00	R 29 900 709,84	76,41      43,44
Vote 8	Waste management	R 659 968,00	R	2 042 000,00	R 202 000,00	R 2 244 000,00	R 1 256 891,22	-38,45      -43,99
Vote 9	Energy sources	R 24 722 498,68	R	26 881 000,00	R -117 000,00	R 26 764 000,00	R 27 552 802,38	2,50      2,95
						0		
<b>TOTAL REVENUE BY VOTE</b>		<b>R 143 585 901,00</b>	<b>R</b>	<b>124 602 000,00</b>	<b>R 14 813 000,00</b>	<b>R 139 415 000,00</b>	<b>R 153 971 256,00</b>	<b>94,92      -25,37</b>

REVENUE COLLECTION PERFORMANCE BY VOTE								
VOTE DESCRIPTION Revenue by Vote		Year 2017/2018		Current Year 2018/2019			Year 2018/2019 Variance	
		Actual		Budget	Adjustments	Adjusted Budget	Actual	Budget Original (%)      Adjustment Budget (%)
Vote 1	Council		R	-	R -	R -		0
Vote 2	Municipal Manager		R	-	R -	R -		
Vote 3	Finance & Administration	R 87 329 422,39	R	89 435 000,00	R 9 182 000,00	R 98 617 000,00	R 93 965 680,49	5,07      -4,72
Vote 4	Community & Social Services	R 1 850 353,62	R	1 069 000,00	R 1 133 000,00	R 2 202 000,00	R 1 055 812,23	-1,23      -52,05
Vote 5	Public Safety	R 10 453 074,80	R	7 881 000,00	R 3 500 000,00	R 11 381 000,00	R 1 940 698,14	100,00      -82,95
Vote 6	Planning and development		R	-	R -	R -		0,00      0,00
Vote 7	Road Transport	R 29 457 743,50	R	20 268 000,00	R -	R 20 268 000,00	R 27 032 046,90	33,37      33,37
Vote 8	Waste management	R 1 495 553,27	R	1 804 000,00	R -	R 1 804 000,00	R 1 933 055,97	7,15      7,15
Vote 9	Energy sources	R 28 973 425,42	R	40 512 000,00	R 2 000 000,00	R 42 512 000,00	R 27 692 596,27	-31,64      -34,86
<b>TOTAL REVENUE BY VOTE</b>		<b>R 159 559 573,00</b>	<b>R</b>	<b>160 969 000,00</b>	<b>R 15 815 000,00</b>	<b>R 176 784 000,00</b>	<b>R 153 619 890,00</b>	<b>112,72      -134,05</b>

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG									
Conditional Grants: excluding MIG									
DETAILS	BUDGET	ADJUSTMENTS	ACTUAL RECEIPT	VARIANCE		Major conditions applied by donor (continue below if necessary)			
				BUDGET %	ADJUSTMENTS BUDGET %				
Transfers & Grants									
National									
FINANCE MANAGEMENT GRANT	2 850 000	0	2 850 000	0	0				
EPWP	1 808 000	0	1 808 000	0	0				
ELECTRIFICATION	15 000 000	0	15 000 000	0	0				
DERMACATION TRANSITION GRANT	0	0	0	0	0				
	19 658 000	0	19 658 000	-13	0				
Provincial									
MAP, LIBRARY, ECONOMIC DEVELOPMENT/TC	1 035 000	0	1 035 000	0	0				
	1 035 000	0	1 035 000		0				
TOTAL	20 693 000	0	20 693 000	-13	0				

SPENDING AGAINST CAPITAL BUDGET							
Year 2017/2018		Current Year 2018/2019				Year 2018/2019 Variance	
DESCRIPTION	Actual	Budget	Adjustment Budget	Actual		Budget Original (%)	Adjustment Budget (%)
<i>Capital Expenditure</i>							
Vote 1 Council	R 6 485 430,31	R 40 000,00	R 40 000,00	R 14 028,39		-64,93	-64,93
Vote 2 Municipal Manager	R 26 926,17	R 40 000,00	R 40 000,00	R 31 774,20		-20,56	-20,56
Vote 3 Finance & Administration	R 368 764,07	R 235 000,00	R 246 000,00	R 28 692,78		-87,79	-88,34
Vote 4 Community & Social Services	R 133 695,56	R 100 000,00	R 210 000,00	R 105 654,63		5,65	-49,69
Vote 5 Public Safety	R 366 583,91	R 1 175 000,00	R 1 455 000,00	R 220 259,03		-81,25	-84,86
Vote 6 Planning and development		R -	R -			0,00	0,00
Vote 7 Road Transport	R 23 628 669,13	R 18 409 000,00	R 19 479 000,00	R 24 077 461,62		30,79	23,61
Vote 8 Waste management	R 37 000,00	R 500 000,00	R 220 000,00	R -		-100,00	-100,00
Vote 9 Energy sources	R 10 687 885,85	R 15 840 000,00	R 15 875 000,00	R 10 509 373,35		-33,65	-33,80
TOTAL REVENUE BY VOTE	R 41 734 955,00	R 36 339 000,00	R 37 565 000,00	R 34 987 244,00		-351,74	-418,57

## SUPPLY CHAIN MANAGEMENT

The municipality has a fully functional Supply Chain Management Unit which operates in terms of the Supply Chain Regulations and Policy.

Table 15 SCM SWOT

Strengths/Opportunities	Weaknesses/Threats
SCM Policies in place	Irregular Expenditure/fruitless and wasteful expenditure incurred in the prior year was not prevented from recurring in the current year
All SCM Committees are established	Some payments were not made within 30 days
Staff members are trained in most areas	Delay in SCM Processes results in delayed service provided
There is sufficient office space to carry out all admin duties	Procurement plans not submitted timeously
	The Bid Adjudication Committee composition is none compliant with SCM Regulation 29(2) as it consist of 3 members instead of 4

## AUDITOR GENERAL FINDINGS

### AUDITOR GENERAL REPORT: YEAR 2018/19

The Municipality received a unqualified audit opinion with findings for financial year ended 30 June 2019. Mthonjaneni Local Municipality was audited by the Auditor General (AG) of South Africa in terms of section 188 of the Constitution, section 4 of the Public Audit Act and section 126 of the MFMA. The audited annual financial statements and audit report are attached as an appendix in this report.

## COMPONENT F: TECHNICAL & PLANNING SERVICES

The Technical and Planning Services department is mainly responsible for the provision of infrastructure and basic services within the municipality. The main focus is based on the following categories:

- Electricity
- Access Roads – Urban and Rural
- Waste Management Services
- Cemeteries
- Housing
- Community facilities
- Sport and recreation facilities
- Town Planning

The Technical and Planning services department is responsible for the on-going operation and maintenance of the above services as well as the capital projects funded by MIG, INEP, EPWP and other related grants.

### TOWN PLANNING AND BUILDING DEVELOPMENT

#### Overview and Background

The Town Planning Section falls within the Development Planning Department and comprises of Land Use Management, Spatial Planning and GIS.

#### Town Planning Unit

The Town Planning Unit manages the following:

- sustainable urban growth and
- spatial transformation through the preparation of spatial plans.
- It is also responsible for the processing of town planning development applications and the monitoring of development in compliance with statutory procedures. It seeks to achieve coordinated and harmonious



development by promoting health, safety, order, amenity, convenience and improved general welfare.

- monitoring land use development to protect the interests of all Property Owners and Government Agencies against undesirable contraventions of existing legislation and acceptable norms in the interests of maintaining a safe and healthy environment of the residents of Mthonjaneni.

In terms of National Building Regulation and Building standard (NBR Act No 103 of 1977 states that any Development within municipal area shall constructed and inspected. Approval of Occupancy certificate shall be issued.

New development has been done within the financial year of 2018/2019



Development at Lot 101 Symmonds Street



Development at Lot 1 of 145 symmonds street

## **Geographic Information Systems (GIS)**

- Develops, maintains and interrogates spatial data in order to provide relevant information that will assist with decision making across the Mthonjaneni Municipality.
- The Town Planning Section provides support to all other municipal departments with regards to land use management and development.

## **Land Use Management System**

The Mthonjaneni Local Municipality is functional in terms of SPLUMA Compliance. The members of the Municipal Planning Tribunal have been appointed and gazetted. The Municipality is compliant with regulation 14 and has appointed the Municipal Planning Authorised Officer (Senior Manager: Planning). The Executive Committee has been appointed as the Appeals Authority. The Mthonjaneni Local Municipality Spatial Planning and Land Use Management By-law was gazetted in January 2017. Municipal Planning Tribunal is operational with its first meeting taking place on 20<sup>th</sup> April 2018.

## **GIS**

The GIS section of Development Planning serves on a daily basis the public and other departments in the Municipality with information from our own data base and other sources like the Surveyor General. Information mainly includes SG Diagrams, Property information, cadastral layouts, service maps that indicate where water and sewer lines are located.

Property searches are also done on town areas as well as farm regions and then aerial maps in relation to the cadastral are produced.

Data downloads and assistance to several consultants and services providers are done.

## **Building Regulations and Enforcements**

## **Achievements in 2018/2019**

- Review of the 2018/2019 SDF and Approval of Council
- Permanent appointment of Director Development Planning
- Fully Functional Planning Section with the appointment of the Town Planner and two Planning Technicians
- The Municipal Planning Tribunal is fully operational and has already commenced taking decisions on Applications
- The Department currently consists of Registered Planners in terms of SACPLAN
- Legal Assistance obtained from external attorneys to address illegal developments and contraventions within the Municipal Area.
- Capital Investment Framework preparation

## Overview and Background of Unit/Section

The Building Regulations and Enforcement Section operates in line with the National Building Regulations and Building Standards Act, 103 of 1977 and SAN10400 to ensure compliance with the submissions of building plans.

The examination of plans is a critical function within this department and is currently been done by the Building Inspector and the Building Control Officer. In terms of section 18 of the Architectural Profession Act (Act no. 44 of 2000) a person who is registered in the category of a professional is permitted to submit building plans. A Candidate cannot submit plans under his own credentials; a registered professional will need to submit plans.

The function of building inspections is related to the development management function of the municipality. This function relates to the inspection of the construction work that has been approved in terms of the applicable legislation.

The inspections are there to determine compliance with the approved plans as per the legislative requirements. The inspections involve assessing each construction site from the establishment of the construction camp to the final finishes of the building. Once the final inspection process is completed and the building is certified as habitable the occupational certificate is then awarded.

## Statistics

The following can be reported on building control:

<input type="checkbox"/> Building Plans submitted	54
<input type="checkbox"/> Building plans approved : -	43
<input type="checkbox"/> Building Plans referred : -	08
<input type="checkbox"/> Building Plans pending : -	03



## Challenges in 2018/2019

- Illegal developments without the submission of building plans
- Non-compliance from members of the public
- Outdated Filling system and circulation of plans
- Plan drawers who are not registered as a Professional in terms of SACAP Lodging Plans
- Turn-around time of Municipal Departments assessing plans
- Fines cannot be issued as Peace officer training is needed.
- Short staffed.

## OPERATIONS AND MAINTENANCE

### WASTE MANAGEMENT

The municipality embarked on the cleaning campaign together with the stakeholders to ensure that our town is kept clean at all times.



### **CLEAN UP CAMPAIGN IN PROGRESS SONDELA AREA.**

In terms of the National standard for the weekly Refuse Collection, Mthonjaneni Municipality follows the National standards and National Environmental Management Act 107. Mthonjaneni Municipality is responsible for waste separation at source, cleansing the streets, collection and disposal at the registered Mthonjaneni Landfill site.

Mthonjaneni municipality does not have a landfill site, however there is a transfer station where all the waste generated is dumped and then the service provider transports the waste to Empangeni landfill site.

The pictures below show the recycling of waste at the transfer station.



### ***CLEARING OF LANDFILL SITE***

The municipality collects waste regularly on daily bases and is transported to the transfer station using the skip truck and a tractor. The removal of waste covers the town, Thubalethu Township, KwaMagwaza area which also includes the hospital and Ndundulu. Dust bins and skips are strategically placed for the community to dump waste in both urban & rural areas. In Melmoth suburbs and Thubalethu the municipality provides households with black refuse bags.



### **REFUSE REMOVAL IN THUBALETHU AREA – WARD 2**





## SKIP BIN FOR REFUSE COLLECTION IN MELMOTH TOWN

### ENERGY & ELECTRIFICATION

#### RURAL ELECTRIFICATION PROJECTS - 2018/2019

Project Name	Ward No.	No. of Connections	Project Value
Soqiwa Makhasaneni Electrification Project	3 & 7	591	R24 128 925.35

#### URBAN ELECTRICAL MAINTENANCE & PROJECTS

ACTIVITY	TARGET	ACHIEVED	CHALLENGES
1. Boundry Box Maintenance	89	89	None
2. Kiosk Maintenance	67	67	None
3. Meter Rooms Maintenance	08	08	None
4. Meter Boxes Maintenance	217	217	Stock shortage
5. Street lights poles replaced	06	06	N/A
6. Street lights repaired		207	N/A
7. Municipal building Maintenance		14	N/A
8. Planned Maintenance	10	10	
9. Substation Repair		06	N/A
11. Line clearance		03	N/A
12. Label Kiosk/Boundary Box		38	N/A
13. Removal of Christmas lights		33	N/A

14.Installation of Christmas lights		33	N/A
15.Removal of weeds around sub		09	N/A
17.Reactive Maintenance	N/A	504	N/A
18.Prune Trees around street lights	100%	40%	N/A
22.Power outages	N/A	72	N/A
24.New installed meters	N/A	18	N/A
25. Meters changed from conventional to pre-paid	N/A	58	N/A
26. Meters changed due to a faults		55	N/A
27. Meters changed to wireless due to difficulties in accessing those meters during meter reading.		21	N/A
28.Cable faults identified		28	N/A
29. Meters upgraded up graded from 20A to 60A		NONE	N/A
30. Meters read		6238	N/A
31. Meters disconnected for non-payment		262	N/A
32. Meters reconnected after payment		79	N/A
33. Meters tempered with		18	N/A
34. Sealed meters		1407	N/A
35. Street lights checked		491	N/A

#### Maintenance of electrification in Melmoth Town – Ward 2



## **PROJECTS**

Installed 350KVA Mini sub for new pollicisation	Completed
Installed 200KVA mini sub at Symmonds street to support new flats	Completed
Installed 200KVA transformer at sub N to support new flats	Completed
Upgraded 3.3KV line at Industrial area to 11KV and installed 3 X 11KV transformers	Completed
New metal galvanised doors installed in 3 sub stations	Completed
Installed 35 street lights at Babanango road	Completed
Installed lightning protection and earthing at protection services	Completed
Installed change over switch at generator to support main hall and technical offices	Completed



**HUMAN SETTLEMENTS**

PROJECT NAME	IMPLEMENTING AGENT	PROJECT STATUS	WARD	NO. OF UNITS	FUNDING
Yanguye Rural Project Phase 2	Siqu Consulting	Planning. No Funding from DOHS in current financial year	01	1000	Department Of Human Settlements
Thubalethu Extension	Groundwork Projects	Construction 65%. Platform cutting has commenced in the phase 1 of project (512 beneficiaries) Phase 2 (608 beneficiaries) Beneficiary administration to commence in the financial year 2019/2020	02	1120	Department Of Human Settlements
Njomelwane Rural Project	Stedone Developments	Construction 95% Complete. Awaiting approval of 5 beneficiaries for completion.	03	1000	Department Of Human Settlements
KwaMagwaza/Mfule	Makhayo Construction	Planning Trench 1 funding only (planning phase.)	04	1000	Department Of Human Settlements
Mgabhi Rural Project	None. IA was terminated due to none compliance.	Planning No Funding from DOHS in current financial year	05	1000	Department Of Human Settlements
Esibayeni Rural Project	Terraplan Associates	Construction 100% complete. Closing report from IA submitted	06	986	Department Of Human Settlements
Makhasaneni Rural Project	Stedone Developments	Construction 95% complete Awaiting approval of 5 beneficiaries for completion.	07	1000	Department Of Human Settlements
Dubeni/Mabhungu Rural Project Phase 2	Shakaholdings	Planning No Funding from DOHS in current financial year	08	600	Department Of Human Settlements
Nomponjwane Rural Project	Dezzo/ Icebo	Construction 90% complete Waiting for identification of 45 beneficiaries for completion.	09	1000	Department Of Human Settlements

Njomelwane Rural Project	Stedone Developments	Construction 90% complete Waiting for identification of 45 beneficiaries for completion.	10	1000	Department Of Human Settlements
Ongelweni Rural Project	UmpHEME Developments	Planning No Funding from DOHS in current financial year	11	1000	Department Of Human Settlements
Obuka Rural Project	Dezzo/ Icebo	Construction 90% complete Waiting for identification of 45 beneficiaries for completion.	12	1000	Department Of Human Settlements
Obuka Rural Project	Dezzo/Icebo	Construction 90% complete Waiting for identification of 45 beneficiaries for completion.	13	1000	Department Of Human Settlements

## PROJECTS

The leadership & management of Mthonjaneni Municipality visited the Thubalethu Housing Project in Ward 2.



At the same time this economic growth would produce far greater financial resources and increase the ability for the public and private sector to support the housing delivery process in a sustainable manner. Careful management of the housing delivery process within this context is critical and pro-active planning the key to the success of this process.

## MIG ALLOCATION

### *2018/19 Financial Performance*

<b>MIG Allocation</b>	<b>R 17 749 000.00</b>
<b>Top Up Funding Received</b>	R 4 000 000.00
<b>Total MIG Funding Received</b>	R 21 749 000.00

## EPWP ALLOCATION

### *2018/19 Financial Performance*

<b>EPWP Incentive Grant</b>	<b>R 1 808 000.00</b>
<b>Own Funding</b>	R 1 500 000.00
<b>Work Opportunities</b>	140
<b>Total Funding</b>	R 3 308 000.00

**MIG PROJECTS FOR 2018 / 2019**

Project Name	Ward	Project Value
Urban Roads Upgrade and Rehabilitation Phase 5	Ward 3	R15,847,651.64
Gobihlahla Creche	Ward 11	R2,443,545.90
Mpevu Community Hall	Ward 9	R3,224,217.96
Ntombokazi Community Hall	Ward 12	R2,810,145.60
Mfule Gravel Road	Ward 4	R 3,636,919.96
Manzawayo Gravel Road	Ward 5	R 4,999,876.52
Nungwini Gravel Road	Ward 1	R 8,652,358.18
Mehlamasha Community Hall	Ward 6	R 3,473,161.33
Noziphiva Gravel Road	Ward 10	R 6,896,699.04

The official opening of Mpevu Community Hall by Mthonjaneni Leadership.



The official opening of Gobihlahla Creche by Mthonjaneni Leadership





Official opening of Ntombokazi Community Hall in Ward 12





## ROAD REHABILITATION & MAINTENANCE

### REHABILITATION OF ROADS RURAL & URBAN

Manzawayo Gravel Road is in progress at it was a multiyear project –Ward 5.



Imfule Gravel Road is in progress in Ward 4



Nungwini Gravel Road Ward 01 in progress.





### URBAN ROAD REHABILITATION PHASE 5 IN PROGRESS – WARD 3



The municipality developed the programme for rural road maintenance in all wards. The service provider was appointed to fast track the maintenance of rural roads and is being monitored by the municipal officials.



***MAINTENANCE OF RURAL ROAD IN WARD 6***



***MAINTENANCE OF ROAD IN WARD 11***





**MAINTENANCE OF ROADS IN WARD 13.**

## **FLEET MANAGEMENT**

### **NUMBER OF VEHICLES**

The Municipality had 38 vehicles for the financial year 2018/2019. These vehicles include Trucks, Plant, LDV'S, SUV'S, Sedans/Hatchbacks, Minibus, Tractors and Trailers. Twenty five of the vehicles are owned by the Municipality and thirteen were leased from Wesbank. The vehicles are allocated to departments and use of vehicles is monitored by respective departments. The Technical Services is taking care of repairs and maintenance of vehicles. There are also equipment for operations and maintenance that we take care of, e.g Mowing equipment, Roads maintenance equipment.

### **LICENSING, SERVICE AND MAINTENANCE**

All vehicles were licensed, serviced and repaired as required and when the need arises. During the period we experienced a number of downtimes caused by breakdowns of vehicles, but we manage to fix it on a required time. Change of ownership for vehicles inherited from Ntambanana Municipality is under process and has been delayed by unavailability of registration documents from Ntambanana.

### **REPAIRS AND MAINTENANCE COSTS**

The total cost for repairs and maintenance of vehicles was R967 001.95 and the total cost for premiums for lease of vehicles was R883 56.04. Cost for repair and maintenance of equipment was R165 996.29.

### **FUEL MANAGEMENT**

All vehicles have received fuel cards and the use of cards is monitored by responsible Departments. We have created a formula for calculating fuel consumption so that it will be easier to compare the actual consumption with the acceptable parameters for each and every vehicle.

### **CAR TRACKING SYSTEM**

All vehicles have been fitted with tracker system. The Tracker will be monitored by respective Departments to monitor driver behaviour in order to minimize breakdowns of vehicles caused by bad driving habits.

### **TERMINATION OF WESBANK LEASE CONTRACT**

The lease contract for Wesbank vehicles expired from January to June 2019. However, the contracts for 12 vehicles were extended to October 2019. One vehicle was terminated and collected by Wesbank in January 2019.

### **DISPOSAL AND REPLACEMENT**

A report was submitted for the disposal of two graders and Toyota Etios. The purchase of six replacement vehicles is on tender process. i.e 2 x Electrical vehicles, 1 Waste Management vehicle, 1 Roads vehicle, 1 sedan for Finance and 1 sedan for Technical Services. The purchase of other five replacement vehicles will be put on tender on the first quarter of 2019/2020 financial year.

### **RENOVATION OF FACILITIES & GRASS CUTTING IN TOWN**

One of the targets the municipality has been able to achieve is ensuring that council facilities are kept in a good condition through proper renovations. There was a budget set aside for renovations of council facilities.



***PAINTING OF MKHINDINI CRECHE-WARD 3***



**PAINTING &**

**REPLACEMENT OF DOUBLE DOOR OF MFANEFIL PAYPOINT -WARD 5**



**PAINTING OF NJOMELWANE CRECHE – WARD 3**





***INSTALLATION OF BUGLARS IN MELMOTH TAXI RANK***

During the autumn season, the municipality does the fire belt in all areas around Melmoth town as a counter measure towards fire hazards.



***FIRE BELT IN MELMOTH AREA.***



**GRASS CUTTING IN MELMOTH AREA.**

## **COMPONENT G: COMMUNITY & SOCIAL SERVICES**

### **DISASTER, FIRE & RESCUE**

Mthonjaneni Disaster Management, Fire and Rescue Services department presents its annual report for the 2018/19 financial year in compliance with Section 50 of the Disaster Management Act 57 2002 as amended. The report provides an overview of the activities undertaken by the section during the period under review. It also reflects on the progress made in line with its objective of promoting an integrated and coordinated system of disaster management, with special emphasis on prevention and mitigation working hand in hand with other role players involved in disaster management and communities.

In compliance with Disaster Management Act 57 of 2002 as amended, the key output of the Local Disaster Management is to develop a Disaster Management Plan through in which a current and credible Disaster Management Risk Profile would be reflected. To comply with this requirement, Mthonjaneni Municipality has developed this five years strategic plan that was approved by council in December 2017. In this report, results of all risk and vulnerability assessments conducted by the municipality were consolidated, including climate change related assessments and other disaster related hazards. The project entailed a number of consultative workshops and participatory research in all thirteen wards of the Mthonjaneni Municipality which resulted in identification of all hazards, associated vulnerability and coping capacities; and the development of a coherent and credible municipal disaster risk profile that takes into account all relevant existing documentation informing disaster risk. Most of the operations that took place during the last financial year are contained within this report going to be outlined in different sections of this report.

**KPA 1: Integrated Institutional Capacity for Disaster Management**

<b>A)</b>	<b>Disaster Management Plan and Policy Framework</b>	In place	Disaster Management Act of 57 of 2002 mandates municipalities to compile their Disaster Management Plans and policy framework. The process of compiling this plan through out-sourcing had a number of challenges. As a result the Disaster Management section decided to compile this document in-house. The process of drafting the DMP started in June 2017 and the documents was in completion by September 2017 and got approved by the council in December 2017
<b>B)</b>	<b>Disaster Management Advisory Forum</b>	In place	Mthonjaneni Disaster Management Advisory Forum is in place and its sits once per quarter in terms of the SDBIP 2018/2019. Four Forum's meeting conducted in 2018/2019 Financial Years. It was noted that there were poor attendance of Sector Departments in these meetings.
<b>C)</b>	<b>Disaster Management Portfolio Committee</b>	Community Portfolio Committee is in place which deals among other all issues of Disaster Management related issues	Reports are submitted quarterly to this committee
<b>D)</b>	<b>Disaster Social Relief Policy</b>	The policy is in place	It was approved in December 2017. This policy allows the Disaster Section to provide relief measured to the identified victims of any disaster incidents
<b>E)</b>	<b>Disaster Management Personnel</b>	The Section comprised of 13 personnel:	The post for the Disaster Management Officer is budgeted for.



		<p>Section Manager absorbed from the than Ntambanana Municipality</p> <p>No designated Disaster Management Officer</p> <p>Fire Officer</p> <p>2 Leading Fire Fighters</p> <p>09 Fire Fighters and 1 Fire Officer</p>	<p>We have two shifts, i.e Shift A with 6 Fire Fighters and Shift B with 5 Fire Fighters. They are all qualified Fire Fighters. Their qualification are accredited by SAESI</p>
<b>F)</b>	<b>Operational Equipment</b>	<p>1 Fire Engine Truck and 1 Bakke with skid unit and 1 trailer. The Fire Engine is equipped with rescue, forcible entry, medical and fire fighting equipment.</p>	<p>The Municipality has budgeted for the procurement of the one fire engine van in the 2018/2019 Financial Years</p>
<b>G)</b>	<b>Fire Services Standing Orders and Fire Service Disciplinary Code</b>	<p>Required to promote discipline in the Fire Service</p>	<p>Both Documents were crafted in house and sent to Community Services for its consideration.</p>

## KPA 2: Disaster Risk Assessment

### Disaster Risk Profile

Since the beginning of this financial year (2018/2019), the Municipality through the Disaster Management Section embarked on a participatory approach to source data from communities at ward level, which was based on historical events and experience, as well as indigenous knowledge. The municipality worked closely with municipality stakeholders to collect different kinds of data from different sources, using different platforms.

The PDMC provided risk assessment tools for sourcing data from municipal wards, using community-based structures. The assessment tool was explained to all practitioners prior to the commencement

of the data collection process. Data collection was designed to sample on multi-hazard assessment, vulnerability assessment, and quantifying capacity within Organs of State and, within the 13 wards.

Mthonjaneni Municipality has 13 wards and all were profiled and analyzed and results were as follows:

<b>1</b>	<p>Ward 1 is situated on the North Western part of Mthonjaneni municipal area. Ward 1 shares municipal boundaries with Ulundi Local Municipality and ward boundaries with ward 12, 10 and 3 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward. The nearest SAPS Station is situated in Melmoth Town and clinic is at Upper-nseleni in ward 12 of the Municipality. There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>The following are the possible hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Structural and bush fires</li> <li>• Storms and heavy rains</li> <li>• Drought</li> <li>• Lightning</li> <li>• Motor Vehicle Accidents in R66/R34</li> </ul>
<b>2</b>	<p>Ward 2 is situated in the middle of the ward 3, 4 and 5. The whole ward falls within a greater part of the Melmoth town and the surroundings. The economic activity of the area is the mall and other small shops.</p> <p>There is SAPS, Magistrate Court, Clinic and municipal offices which serve as the emergency facilities in the ward.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Drought</li> <li>• Motor Vehicle Incidents in R66/R34</li> </ul>
<b>3</b>	<p>Ward 3 is situated in the central west part of Mthonjaneni Municipality and shares the Municipal boundary with Ulundi Municipality and ward boundaries with ward 1,2, 4,5,6,7 and 8. The ward consists of the Melmoth town, and large scale of land is occupied by commercial timber farmers and subsistence farmers.</p>	<p>Interviews conducted with different community sectors revealed the following hazards and threats as the common occurrences in the ward with high potential to escalate to the level of a disaster:</p>

	<p>Melmoth Clinic, Police station are the only emergency facilities within the ward.</p> <p>There are no sufficient schools, Early Childhood Development Centres and Town Hall that would be suitable for use as evacuation centres if necessary.</p>	<ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Bush fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
<b>4</b>	<p>Ward 4 is situated in the South/West part of Mthonjaneni and share municipal boundaries with Nkandla Municipality and ward boundaries with ward 2,3 and 5 of Mthonjaneni Municipality. The ward comprised of Mfule and Magwaza Missionary areas. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. In this ward there is Magwaza Hospital which can provide emergency services to the victims of the disaster incidents. The area is serviced by Melmoth SAPS and all other emergency services are provided in this town.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with different community sectors revealed the following hazards and threats as the common occurrences in the ward with high potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Bush fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
<b>5</b>	<p>Ward 5 is situated in the South part of the Mthonjaneni Municipality and shares the municipal boundaries with uMlalazi municipality and ward boundaries with ward 2,3,4 and 6. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. The area is serviced by Melmoth SAPS and all other emergency services are provided in this town.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Bush Fires</li> <li>• Lightning</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
<b>6</b>	<p>Ward 6 is situated in the South part of the Mthonjaneni Municipality and shares</p>	<p>Interviews conducted with ward committee members</p>

	<p>the municipal boundaries with uMlalazi municipality and ward boundaries with ward 5,3, and 8 of Mthonjaneni Municipality. The most economic activities in this ward are the subsistence farming and Commercial Timber Farming. In this ward there is Nogajuka Clinic which renders emergency services to the community. The area is serviced by Melmoth SAPS and all other emergency services are provided in this town.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>and random members of the community, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Bush Fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
<b>7</b>	<p>Ward 7 is situated on the South part of Mthonjaneni municipal area. The ward shares municipal boundaries with uMlalazi Local Municipality and ward boundaries with ward 3, 8 and 9 of Umthonjaneni Municipality.</p> <p>The ward is entirely populated by the Traditional Rural Communities under Inkosi Zulu and Subsistence Farming is the only form of economic activity and community members use Ndundulu Market Stalls to sell their production. There are no emergency facilities situated in this ward and they get their health related services at Ndundulu Clinic in ward 8 of Mthonjaneni Municipality and Nkwadini Clinic situated uMlalazi Municipality. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away fires</li> <li>• Motor Vehicle Accidents</li> <li>• Drought</li> </ul>
<b>8</b>	<p>Ward 8 is situated on the North part of Mthonjaneni municipal area. The ward shares municipal boundaries with uMlalazi Local Municipality and ward boundaries with ward 3, 6 and 7 of</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards</p>

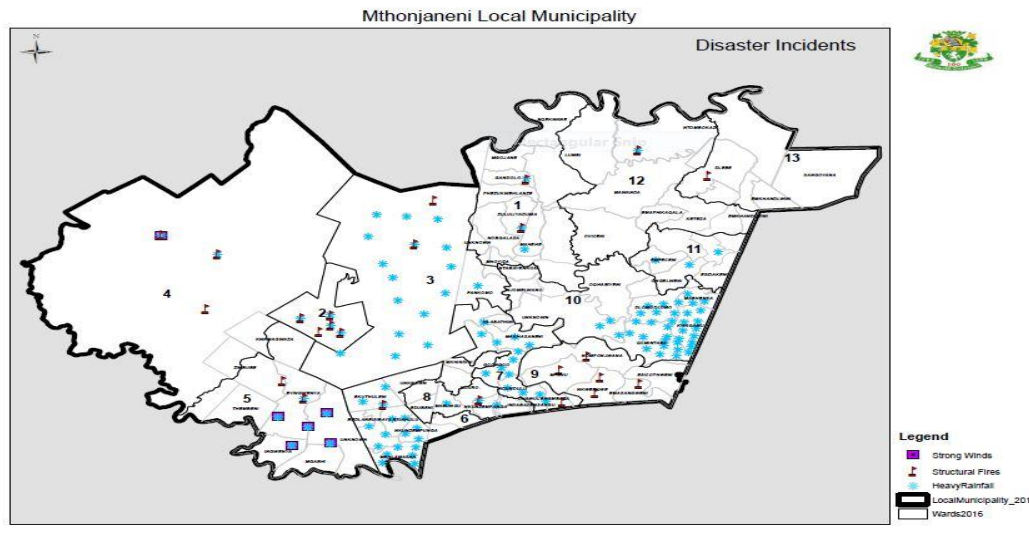
	<p>Umthonjaneni Municipality.</p> <p>The ward is entirely populated by the Traditional Rural Communities under Inkosi Zulu and Subsistence Farming is the form of economic activity and they use Ndundulu Market Stalls to sell their production. There is Ndundulu Clinic which is used as emergency facility and they also access their health related services from Nkwadini Clinic under Mlalazi Municipality. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are no sufficient schools, churches and early childhood development centres including Tembeni Traditional Court that would be suitable for use as evacuation centres if necessary.</p>	<p>and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Motor Vehicle Incidents</li> <li>• Drought</li> </ul>
<b>9</b>	<p>Ward 9 is situated on the South East part of Mthonjaneni municipal area. Ward 9 shares municipal boundaries with uMhlathuze and uMlalazi Local Municipalities and ward boundaries with ward 7 and 10 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There is Nomponjwane Clinic in this ward which serves as the emergency facility and they are also closer to both Nkwadini Clinic and Nogajula Clinic. The nearest SAPS Station is situated in Melmoth Town.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Drought</li> </ul>
<b>10</b>	<p>Ward 10 is situated on the East part of Mthonjaneni municipal area. Ward 10 shares municipal boundaries with uMhlathuze Local Municipality and ward boundaries with ward 1,3,7, 9,11 and 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in</p>

	<p>Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Run away fires</li> <li>• Tornadoes</li> <li>• Drought</li> </ul>
<b>11</b>	<p>Ward 11 is situated on the North part of Mthonjaneni municipal area. Ward 11 shares municipal boundaries with uMhlathuze Local Municipality and ward boundaries with ward 10 and 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are no sufficient schools, churches and early childhood development centres, including Obuka Traditional Court that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> </ul>
<b>12</b>	<p>Ward 12 is situated on the North part of Mthonjaneni municipal area. Ward 12 shares municipal boundaries with Ulundi Local Municipality and ward boundaries with ward 1, 10, 11 and 13 of Umthonjaneni Municipality. The ward is</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are</p>

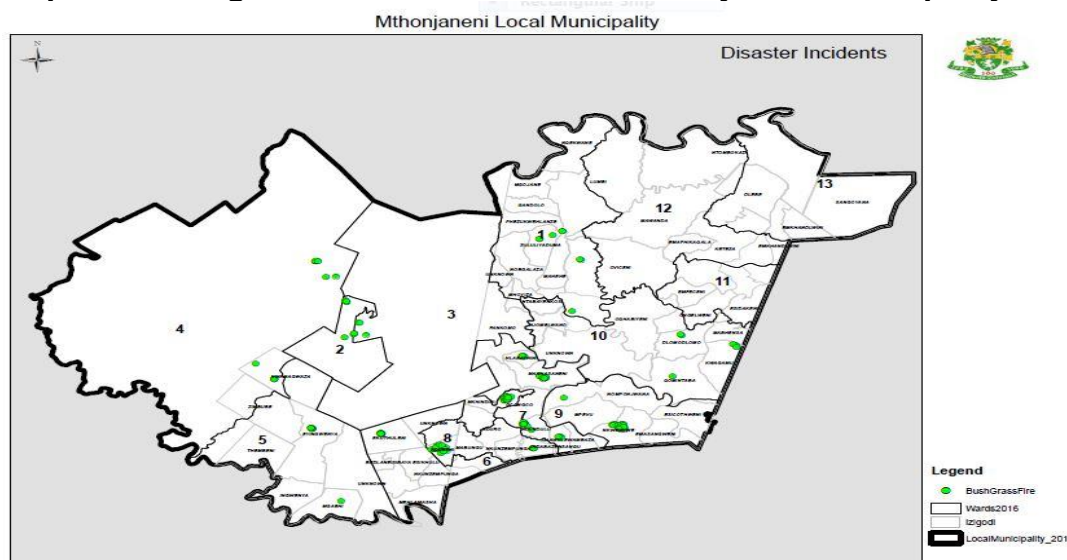


	<p>entirely populated by the Traditional Rural Communities under Inkosi PC Biyela and Subsistence Farming is the only form of economic activity. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Drought</li> </ul>
<b>13</b>	<p>Ward 13 is situated on the North East part of Mthonjaneni municipal area. It shares municipal boundaries with Ulundi, Umhlathuze and Mfolozi Local Municipalities and ward boundary with ward 12 of Umthonjaneni Municipality. The ward is entirely populated by the Traditional Rural Communities of Inkosi uMthiyane and PC Biyela . Subsistence Farming is the only form of economic activity in the ward. There are no emergency facilities situated in this ward and they get their health related services at KwaMbiza Clinic in ward 12 of Mthonjaneni Municipality and Bhuchanana Clinic in ward 33 of uMhlathuze Municipality. The nearest SAPS Station is situated in Melmoth Town and ward 33 of uMhlathuze Municipality.</p> <p>There are no sufficient schools, churches and early childhood development centres that would be suitable for use as evacuation centres if necessary.</p>	<p>Interviews conducted with ward committee members and random members of the war room structure, have identified the hazards and threats that are common occurrences in the ward and which have the potential to escalate to the level of a disaster:</p> <ul style="list-style-type: none"> <li>• Storms</li> <li>• Heavy Rains</li> <li>• Floods</li> <li>• Structural Fire</li> <li>• Run-away Fires</li> <li>• Lightning</li> <li>• Drought</li> </ul>

**Map 2 reflecting disaster incidents in all affected wards**



**Map 3 reflecting Bush fire in all wards of Mthonjaneni Municipality**



### KPA 3: Disaster Risk Reduction Public education and Mitigation Programs

Educating community members about possible life costing disastrous incidents is part of the Disaster Management Component of the Municipality. This is where we raise awareness on certain critical disastrous issues which affect our communities. In the 2018/2019 Financial Years, a number of Fire and Disaster Awareness Campaign were conducted throughout the financial year with an attempt to assist community members to stay cautioned about all possible fires and disasters and again educate them on how they can prevent them from occurring since they lead to fatalities and damage to properties as well as the environment.

The following table reflect the programs undertaken in this regard:

DATE	NAME OF AREA	WARD	NUMBER OF PEOPLE
22 July 2018	Embalini	04	21
29 August 2018	Correctional service	03	15
10 September 2018	KwaMagwaza hospital	04	23
25 September 2018	Melmoth clinic	03	36
27 September 2018	Nomponjwana clinic	10	31
27 September 2018	Ndundulu clinic	07	47
03 October 2018	KwaMbiza clinic	11	26
09 October 2018	KwaSanguye clinic	01	50
29 October 2018	Oviceni	12	61
05 February 2019	Mawanda community hall	Ward 12	28
19 February 2019	Kwagconco pay point	Ward 7	50
22 May 2019	Mfanefile hall	05	23
24 May 2019	Njomelwane crèche	03	22

### Fire and Disaster Building Assessment

Fire and disaster building assessment is mainly focus on the compliance of building structures, installation of fire fighting equipment's in all mainly community used building within the municipality. The following structures were assessed in the 2018/2019 Financial Years.

DATE	AREA	PROGRAMS	REMARKS
09 July 2018	Thubalethu hall	Building inspection	A building was not complying with building regulations SANS 10400 part-T fire protection
18 July 2018	Flat lots ERF1/148 47A Symmonds street	Building inspection	The building was complying with building regulations SANS 10400 T fire protections
18 July 2018	Flats lots 101 no 57 Symmonds street	Building inspection	The building was complying with building regulations SANS 10400 T fire protections.
23 August 2018	14 Reinhold street service on site auto repairs	Building inspection	The building was complying with building regulations SANS 10400 T fire protections

28 August 2018	22Reinhold street Ikhwezi bottle store	Building inspection	The building was complying with building regulations SANS 10400 T fire protection
29 August 2018	23Opposition street correctional service	Building inspection	Building was not complying with building regulations SANS 10400 T fire protection
04 September 2018	192 Piet retief street Sigcinubunye funeral service	Building inspection	Building was complying with building regulations SANS 10400 T fire protection
10 September 2018	Kwamagwaza hospital	Building inspection	Building was complying with building regulations SANS 10400 T fire protection
13 September 2018	300 Victoria street new police station	Building inspection	Building still in progress
03 October 2018	Kwambiza clinic ward 11	Fire inspection and drills	Building was inspected and found that the building was in place as outlined in the South African Building Regulations SANS 10400-T on fire protection.
09 October 2018	KwaYanguye clinic ward 1	Fire inspection and fire drills	Building was inspected and found that it was complying with SANS 10400 part –T fire protection.
23 October 2018	Soul caf's Reinhold Street	Fire inspection	Building was inspected and found that it was complying with SANS 10400 part – T fire protection.
23 October 2018	Sasol garage no 20 Victoria Street	Fire inspection	Building was inspected and found that it was not complying with SANS 10400 part - T fire protection.
23 October 2018	Shoprite store CNR Symmonds Street	Fire inspection	Building was inspected and found that it was not complying with SANS 10400 part – T fire protection.
13 November 2018	Manzini Timber and Sugar Estate	Fire inspection	Building was inspected and found that it was not complying with SANS 10400 part –t fire

			protection.
20.12.2018	Sasol garage	Fire inspection	Building was inspected and found that it was complying with SANS 10400 part –t fire protection.
13 February 2019	KFC restaurant	Fire inspection	The building was inspected and found that it was complying with SANS 10400 part- T fire protection.
07 March 2019	Mthonjaneni lodge	Fire inspection	The building was inspected and found that it was complying with SANS 10400 part- T fire protection.
20 March 2019	Jwayelani Retail Shop	Fire inspection	The building was inspected and found that it was complying with SANS 10400 Part –T fire protection
10 April 2019	Umfolozi big 5 lodge	Fire inspection	The building was inspected and found that it was complying with SANS 10400 part- T fire protection.
12 April 2019	Ikhwezi food cc and bottle store	Fire inspection	The building was inspected and found that it was complying with SANS 10400 part – T
12 April 2019	A.S super market	Fire inspection	Building was inspected and found that it was not complying with SANS 10400 part –T. and recommendation report was sent to the owner
17 May 2019	Dr Masinga ES & Partners	Fire inspection	The building was inspected and found that it was not complying with SANS 10400 part- T fire protection.
28 May 2019	Ayoba clothing shop	Fire inspection	The building was inspected and found that it was complying with SANS 10400 part-T.

29 May 2019	Kwanqithi tavern	Fire inspection	The building was inspected and found that it was not complying with SANS 10400 part –T fire protection.
28 May 2019	AS super market	Fire inspection	Building was complying with SANS 10400 part-T fire protection.

## KPA 4: Response and Recovery

### Disaster Incidents

Response to disaster has improved dramatically in the past two years since the municipality employed and assigned personnel to disaster management. Other measures that improved response and recovery efforts are the procurement of vehicles and relief stock. In winter, fire incidents are the most reported incidents during the year. The municipality witnessed the drastic increase numbers of both Fire and Motor Vehicle Accidents in 2018/19 financial year compared to 2017/18 financial years.

The Financial Year 2018/2019 was characterized by both Grass Fires and MVAs which affected many households respectively in almost all wards. The incidents were reported by Ward Councillors concerned. The Local Disaster Management Team visited the wards within the Mthonjaneni Local Municipality that were affected by the various types of disaster incidents. The purpose of the visitations was to conduct impact assessment on the households of the victims and facilitate instant mitigating response and relief within the provisos of the Disaster Management Act of 2002. There have been only two injuries and no fatalities recorded. Most of these injuries resulted from fire and lightning strikes. Much effort and resources still needs to be allocated in awareness creation and campaigns.

The following table contains summary statistics as per the assessment conducted after each reported incident.

### Summary Statistics

#### First Quarter Incidents ( July-Sep 2018)

##### Summary Statistics

Keywords :HR-Heavy Rains L-Lightning F - Fire HS - Hail storm FL- Flood SW - Strong winds

SC-Structural collapse

SF-Structural fire

	Types of Incidents	Ward	No. of Incidents	No. of Households Affected	Houses Destroyed		People Affected	Fatalities	Injuries	Missing Persons
					Totally Destroyed	Partially Damaged				
Mthonjan	SF	10	02	02	03	00	27	00	00	00



eni	SF	12	01	01	00	01	05	00	00	00
	SF	05	02	02	02	00	17	00	00	00
	SF	01	03	03	02	01	14	00	00	00
	SF	06	01	01	02	00	03	00	00	00
	SF	09	01	01	02	00	10	00	00	00
	SF	08	01	01	01	00	09	00	00	00
	HR	09	01	01	01	00	01	00	00	00
<b>Total</b>		08	12	12	13	02	86	00	00	00

### Second Quarter Incidents ( Oct-Dec 2018)

#### Summary Statistics

Keywords :HR-Heavy Rains L-Lightning F - Fire HS - Hail storm FL- Flood SW - Strong winds  
 SC-Structural collapse  
 SF-Structural fire

	Types of Incidents	Ward	No. of Incidents	No. of Hs Affected	Houses Destroyed		People Affected	Fatalities	Injuries	Missing Persons
					Totally Destroyed	Partially Damaged				
Mthonjan eni	SF	06	01	01	04	00	10	00	00	00
	SF	07	02	02	00	02	20	00	00	00
	SF	09	01	01	00	01	08	00	00	00
	SF	02	01	01	00	01	03	00	00	00
	SF	01	01	01	01	00	05	00	00	00
	SF	05	01	01	01	00	07	00	00	00
Mthonjan eni	SF	03	01	01	01	01	06	00	00	00
	SF	05	01	01	01	00	07	00	00	00
	SF	13	01	01	01	00	08	00	00	00
	SF	11	01	01	00	01	03	00	00	00
	SC	04	01	01	01	00	01	00	00	00
	SF	09	01	01	01	00	16	00	00	00
	SC	02	01	02	01	01	03	00	00	00
<b>TOTAL</b>			<b>14</b>	<b>14</b>	<b>12</b>	<b>07</b>	<b>97</b>	<b>00</b>	<b>00</b>	<b>00</b>

### Third Quarter Incidents (Jan-March 2019 )

#### Summary Statistics

Keywords :HR-Heavy Rains L-Lightning F - Fire HS - Hail storm FL- Flood SW - Strong winds  
 SC-Structural collapse  
 SF-Structural fire

	Types of Incidents	Ward	No. of Incidents	No. of Hs Affected	Houses Destroyed		People Affected	Fatalities	Injuries	Missing Persons
					Totally Destroyed	Partially Damaged				
Mthonjan eni	SF	06	01	01	04	00	10	00	00	00
	SF	07	02	02	00	02	20	00	00	00

	SC		13	13	05	10	173	00	00	00
	SF	09	01	01	00	01	08	00	00	00
	SF	02	01	01	00	01	03	00	00	00
	SF	01	01	01	01	00	05	00	00	00
	SF	05	01	01	01	00	07	00	00	00
Mthonjaneni	SF	03	01	01	01	01	06	00	00	00
	SF	05	01	01	01	00	07	00	00	00
	SF	13	01	01	01	00	08	00	00	00
	SF	11	01	01	00	01	03	00	00	00
	SC	04	01	01	01	00	01	00	00	00
	SF	09	02	02	00	01	27	00	00	00
	SC	12	03	03	01	04	08	00	00	00
	SC	08	01	01	01	00	05	00	00	00
	SC	02	01	02	01	01	03	00	00	00
<b>TOTAL</b>			<b>18</b>	<b>32</b>	<b>19</b>	<b>14</b>	<b>294</b>	<b>00</b>	<b>00</b>	<b>00</b>

#### Fourth Quarter Incidents ( April-June 2019)

##### Summary Statistics

**Keywords :HR-Heavy Rains L-Lightning F - Fire HS - Hail storm FL- Flood SW - Strong winds SC-Structural collapse SF-Structural fire**

	Types of Incident	Ward	No. of Incident s	No. of Househ olds Affected	Houses Destroyed		People Affect ed	Fataliti es	Injurie s	Missing Persons
					Totally Destroy ed	Partially Damage d				
Mthonjaneni	SC	05	01	01	01	00	01	00	00	00
	SC	05	01	01	02	00	02	00	00	00
	SC	01	01	01	00	01	21	00	00	00
	SF	07	01	01	01	00	08	00	00	00
<b>Total</b>		<b>04</b>	<b>04</b>	<b>04</b>	<b>04</b>	<b>01</b>	<b>32</b>	<b>00</b>	<b>00</b>	<b>00</b>

**NB:** Assessments were conducted in all reported cases. However the municipality had some challenges in rendering the mitigation services to the affected victims and procurement of intervention services is still underway in finance department. In some cases blankets and mattresses were provided to the victims in need of them. Most victims are in need of the temporal shelters.

### Emergency Response

Disaster Risk Management, Fire and Rescue Services fall within the broader spectrum of Emergence Services. We have an Emergence Call Centre which receives all emergence calls and distribute to all sections which falls under this essential service. In the Financial Years under reporting, the section managed to respond as the SDBIP 2018-2019 Targets. The table below reflects all calls received in the year in question.

TYPE OF CALLS	NUMBER OF CALLS
Motor Vehicle Accidents	138
Grass and Bush fires	130
Structural Fires	18
Transport Fires	03
Special Services	28
Rescue	02
Trash Fire	04
<b>Total numbers of calls</b>	<b>323</b>

**Figure 1: Types of Emergency Calls Received**

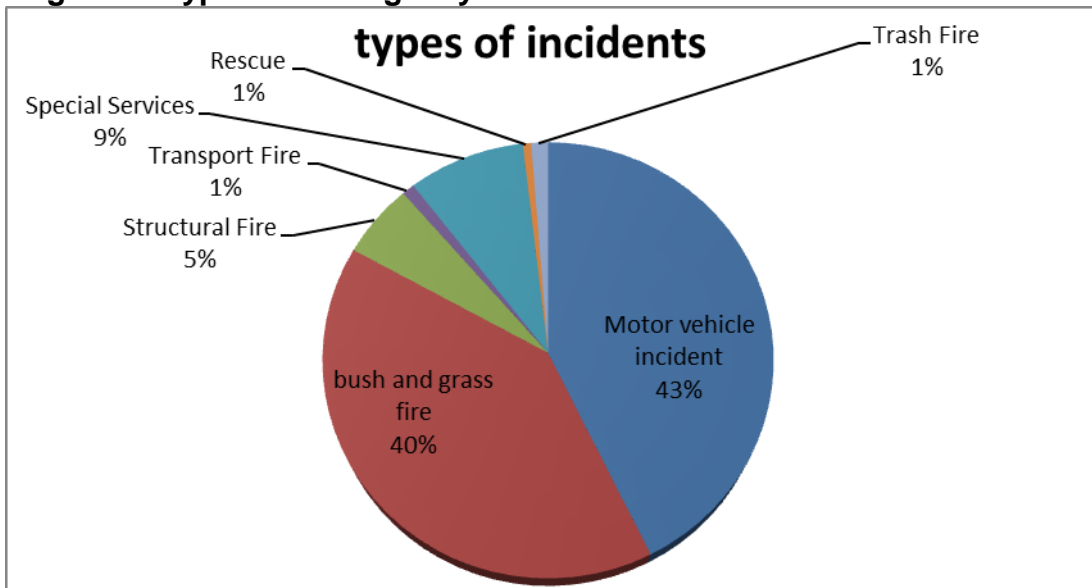


Figure 1 reflects that there are many number of bush and grass fires compared to house fire and other special services.

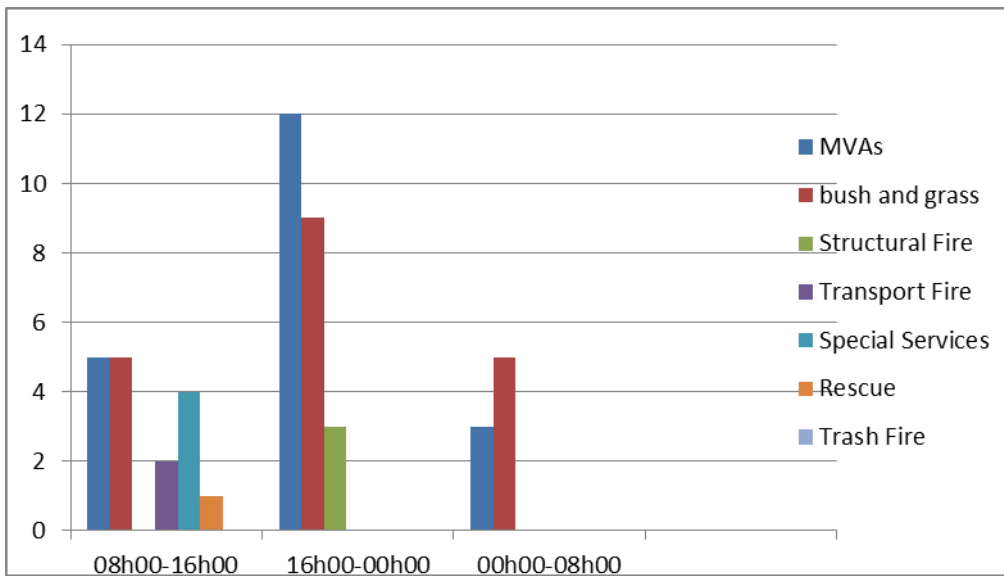
**Figure 2: Busy Time of the Day**

Figure 2 reflects that most incidents happens between 16h00-00h00

### Disaster Relief Material/Mitigation Response

#### Disaster Relief Material Support

As part of the legislative mandate of the Provincial Disaster Management Centre stipulated under National Framework on Disaster Management, the PDMC is expected to support municipal disaster management centres with an aim to enhance their functionality and ensuring that they are able to respond quicker, efficiently and effectively to disasters and incidents.

In complying with the above said National Framework, the KwaZulu/Natal Disaster Management Business Unit has identified municipalities to benefit from the Disaster Relief Material Program. Mthonjaneni Disaster, Fire and Rescue Section were among the municipalities which received Disaster Relief Material Support from PDMC (Provincial Disaster Management Centre) on the 15 February 2019 and the following table reflects the items received.

		Box "B"	Lightning Conductors	Temporal Shelters
50	30	15	17	05

### Emergency Relief Support in the 2018/2019 Financial Year

The municipality ever since is committed in assisting the victims of the disaster incidents mitigate the impact through the provision of the Disaster relief material. The table below reflects the items provided to the victims in the 2018/2019 Financial Years.

Items	Received (PDMC)	Issued	Remaining Balance
Mattress		49	39

Tents		01	03
Blankets	50	145	157
Plastic sheeting	30	03	58
Box 'B'	15	10	22
Lightning Conductors	17	17	00
Temporal Shelters	05	05	00

### Picture Gallery for Disaster Interventions







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Financial Years	Allocation	Expenditure	Balance	Remarks
2017/2018	R 800 000			
2018/2019	R1 500 000			
2018/2019	R415 000			Adjustment Budget

## CONCLUSION ON DISASTER MANAGEMENT

In the light of the above accounts , the following is recommended:

- The municipality to conduct more community awareness programs as part of disaster risk reduction program.
- Temporal shelters (20) be made available for those households critically affected.
- Food hampers (20) be made available to mitigate the impact of the incident to those family whose food happen to be destroyed during the disaster incidents
- Some cases be refered to the KZN Department of Human Settlement for considering assisting the victims under OSS Special Housing Project.
- The hydrants that are at the shopping centre must have SANS fire regulations signs.
- Damaged fire hydrants in town must be fixed.
  
- Activities like fire inspection and fire awareness were not much conducted due to the shortage of enabling resources in this financial year.
- Heavy Rain assessments took many days due to many wards affected which are made up of wide spreads localities and this has compelled the team to pay more attention on it.
- The municipality have secured a site for disaster management centre; however, the question of funding for the building of the centre remains a huge challenge.

## PROTECTION SERVICES

The Mthonjaneni Protection Services on the 2018/2019 financial year period reporting phase had focused on effective traffic law enforcement and compliance on both public and normal transportation modes. Thus making Mthonjaneni a safer area and passage for all road users within our areas of jurisdiction. By preventing carnage on our roads. Ensure the daily functioning of the Driver Licensing Testing Centre and Motor licensing section

Upholding the principles of compliance on both sections (DLTC and Motor licensing section) as stipulated on the on the Department's memorandum of understanding.

### Traffic division

In line with our mission to provide safe passage for all road users within our area of jurisdiction and Mthonjaneni magisterial area, intensified traffic law enforcement has been the order of the day. Traffic fines have been issued to those not adhering to and disregarding traffic rules and regulations stipulated on National Road Traffic Act 93 of 1996.





### Roadblocks

Routine roadside and multi-disciplinary road blocks have been conducted within the Mthonjaneni jurisdiction area to ensure the safety and security of our road users, in terms of the driving documentation and roadworthiness of vehicles used on our roads.

These roadblocks also assist in eliminating fatigue on long distance drivers passing our town. These are successfully conducted with our neighbouring authorities which are SAPS Melmoth and Road Traffic Inspectorate from Eshowe and Ulundi





**Escort duties**

Escort has been provided for numerous occasions such as awareness campaigns, peaceful marches, busses for umhlanga and other relevant events Traffic officers has been engaged in escorting such events





### **Accidents attended**

Response to motor vehicle collision scenes has been conducted timeously. The following listed areas have been identified as high accident zones of which the following elements are alleged cause of the collisions. Poor visibility during misty conditions, high speeds that result to road fatalities, shortage of road signage, road markings and unroadworthy motor vehicles. **Mthonjaneni pass, Mfuli Bridge, Oom Wessel and Ndundulu pass**





**SEE MONTHLY / QUARTERLEY STATS FINACIAL YEAR JULY 2018 – JUNE 2019**

MONTH	DRIVERS BOOKINGS	LEARNERS BOOKINGS	VEHICLES CRW TESTS CONDUCTED	VEHICLES CRW ISSUED	CPF MEETINGS	HAND WRITTEN CHARGES	CAMERA HOURS	ROADBLOCKS	TRAFFIC INCOME	VEHICLES INCOME	DLTC INCOME	MLB INCOME	TOTAL
2018-07-31	142	124	9	4	1	126	0	2	R11,745.50	R2,720.00	R114,882.00	R24,212.45	R153,559.95
2018-08-31	171	93	28	20	1	75	0	5	R51,825.48	R8,820.00	R115,361.00	R21,126.10	R197,132.58
2018-09-30	124	69	5	3	1	113	0	4	R83,615.30	R1,720.00	R86,569.00	R15,190.70	R103,479.70
QUARTER 1	437	286	42	27	3	314	0	11	R147,186.28	R13,260.00	R316,812.00	R60,529.25	R454,172.23
2018-10-31	142	77	14	12	1	59	0	10	R99,917.80	R5,040.00	R104,801.00	R35,625.48	R145,466.48
2018-11-30	173	96	8	7	1	55	0	4	R206,977.43	R2,730.00	R110,235.00	R22,029.10	R134,994.10
2018-12-31	79	88	0	0	1	66	0	1	R341,807.93	R0.00	R70,747.00	R18,093.05	R88,840.05
QUARTER 2	394	261	22	19	3	180	0	15	R648,703.16	R7,770.00	R285,783.00	R75,747.63	R369,300.63
2019-01-31	98	97	3	3	1	299	0	0	R156,363.51	R1,020.00	R81,272.00	R22,671.45	R261,326.96
2019-02-28	154	114	5	3	1	196	0	0	R6,758.00	R1,590.00	R107,886.00	R18,925.70	R135,159.70
2019-03-31	161	121	11	10	1	106	0	0	R13,073.00	R4,010.00	R114,046.00	R28,481.78	R159,610.78
QUARTER 3	413	332	19	16	3	601	0	0	R176,194.51	R6,620.00	R303,204.00	R70,078.93	R556,097.44
2019-04-30	144	81	6	5	1	353	0	0	R19,381.50	R1,920.00	R104,254.00	R28,763.45	R154,318.95
2019-05-31	166	142	9	9	1	487	0	0	R25,803.00	R3,320.00	R118,644.00	R29,065.30	R176,832.30
2019-06-30	159	103	2	2	1	307	0	0	R34,603.00	R810.00	R107,210.00	R23,677.90	R166,300.90
QUARTER 4	469	326	17	16	3	1147	0	0	R79,787.50	R6,050.00	R330,108.00	R81,506.65	R497,452.15
YEAR END TOTALS	1713	1205	100	78	12	2242	0	26	R1,051,871.45	R33,700.00	R1,235,907.00	R287,862.46	R1,877,022.45
REQUIRED TARGETS	1440	200	160	80	4	1500	2520	80					
Roadblocks and Vehicle CRW tests are always subject to weather permitting, mechanical failure and servicing of equipment.													
SEE REPORTS ATTACHED MONTHLY FOR FULL DETAILS													
From January 2019, hand written fines have changed to hand written charges as some Section 56's have more than 1 charge upto 3 charges per Section 56													

## SOCIAL SERVICES

Social Services embarked on various projects for the 2018/19 financial year. The report is to give broad information on the projects and programmes that took place. It will further present the progress within the community services department.

## Social Services

- Sport and recreation Section
- Special programme Section
- Youth section
- LED Section

## SPORTS & RECREATION

## SALGA KZN-DSR GAMES 2018

The Community Services Department within the municipality of Mthonjaneni successfully organized local SALGA KZN-DSR games. These games were hosted at Mthonjaneni Sportsfield on 25 August 2018. Sports codes that were played were: Soccer, Netball, and Volley ball, Karate, Rugby and Boxing. The winners from different codes were selected to represent the Municipality at District and Provincial level.





### INDIGENOUS GAMES 2018

Indigenous Games Tournament it's annually event hosted by Department of Sport and Recreation and Local Municipalities. The games started at a local level where Local Municipalities conducted their own selections to prepare their teams.

Local Municipalities under King Cetswayo District Municipality come together with their teams to compete and select the team that will represent King Cetswayo District in Provincial Games. Local selections for Mthonjaneni Municipality were hosted by ward 7 at Hlabathini area on 06 July 2018.

Transport and refreshments were provided for local sections

The District Indigenous Games for 2018 were be hosted by uMlalazi Municipality on the **14<sup>th</sup> July 2018** at Mbongolwane area.

Mthonjaneni Municipality provided refreshments, transport and T-Shirt for participants (Mthonjaneni team) during District Selections.

### **MTHONJANENI MAYORAL CUP 2018 TOURNAMENT**

In the past three years the office of the Mayor has come up with plan of Mthonjaneni Mayoral Cup to accelerate the delivery of sport and recreation to the youth of Mthonjaneni Municipality.

This initiative, among other things, seek to use the power of sport in uniting people and building social cohesion when our youth is being faced by social ills like HIV/AIDS, Teenage Pregnancy, Crime and Substance Abuse.

Mthonjaneni Mayoral Cup is also used to inspire and create a rare opportunity to the talented individuals

Mthonjaneni Municipality hosted its Mayoral cup tournament on 25 August 2018. The tournament was one of the successfully municipal events for current financial year.

The tournament started at ward level as all wards had their own competitions on the 22 July 2018. Sport kits (jerseys and ball) were provided as prizes to motivate the players.

The following were prizes for main event/competition:

#### **SOCCER:**

*1<sup>st</sup> prize R 10 000.00, trophy and 23 gold medals*

*2<sup>nd</sup> prize R 5000.00 and 23 silver medals*

#### **NETBALL:**

*1<sup>st</sup> prize R 5 000.00, trophy & 15 gold medals*

*2<sup>nd</sup> prize R 2 500.00 & 15 silver medals*

#### **VOLLEYBALL MALE**

*1<sup>st</sup> prize R 1 000.00, trophy & 15 gold medals*

*2<sup>nd</sup> prize R 500.00 & 15 silver medals*

#### **VOLLEYBALL FEMALE**

*1<sup>st</sup> prize R 1 000.00, trophy & 15 gold medals*

*2<sup>nd</sup> prize R 500.00 & 15 silver medals*

#### **UMLABALABA**

*1<sup>st</sup> prize R 500.00*

*2<sup>nd</sup> prize R 250.00.*

#### **IGQATHU**

*1<sup>st</sup> prize R 500.00*

*2<sup>nd</sup> prize R 250.00.*

#### **KHOKHO**

*1<sup>st</sup> prize R 500.00*

*2<sup>nd</sup> prize R 250.00*

#### **Chess**

*1<sup>st</sup> prize R 500.00*

*2<sup>nd</sup> prize R 250.00*

The following were the winners in different codes:

<b>CODE.</b>	<b>POSITION</b>	<b>PRIZE</b>	<b>WARD</b>
<b>Male soccer</b>			
	1 <sup>st</sup>	R10 000.00	<b>Ward 7</b>
	2 <sup>nd</sup>	R 5000.00	<b>Ward 11</b>
<b>Laddies soccer</b>			
	1 <sup>st</sup>	R 1000.00	<b>Ward 1</b>
	2 <sup>nd</sup>	R 500.00	<b>Ward 9</b>
<b>Netball</b>			
	1 <sup>st</sup>	R 5 000.00	<b>Ward 8</b>
	2 <sup>nd</sup>	R 2 500.00	<b>Ward 10</b>
<b>Male Volleyball</b>			
	1 <sup>st</sup>	R 1 000.00	<b>Ward 2</b>
	2 <sup>nd</sup>	R 5 00.00	<b>Ward 9</b>
<b>Female volleyball</b>			
	1 <sup>st</sup>	R 1 000.00	<b>Ward 5</b>
	2 <sup>nd</sup>	R 5 00.00	<b>Ward 13</b>
<b>Ingqathu</b>			
	1 <sup>st</sup>	R 5 00.00	<b>Ward 8</b>
	2 <sup>nd</sup>	R 2 50.00	<b>Ward 13</b>
<b>Umlabalaba</b>			
	1 <sup>st</sup>	R 5 00.00	<b>Ward 8</b>
	2 <sup>nd</sup>	R 2 50.00	<b>Ward 13</b>
	2 <sup>nd</sup>	R 2 50.00	<b>Ward 6</b>
<b>Chess</b>			
	1 <sup>st</sup>	R 5 00.00	<b>Ward 2</b>
	2 <sup>nd</sup>	R 2 50.00	<b>Ward 3</b>





Victory celebration with the Mayor: Soccer champions Blue stars

### **AMAKHOSI ASEMZANSI TOURNAMENT 2019.**

Amakhosi Asemzansi Games started in the year of 2015 with participation of five Trabil authorities. The tournament was initiated by Orange Groove Diaries with Amakhosi under King Cetshwayo District. Lately these games were supported by the Department of Sport and Recreation (KCDM) and Municipalities.

The main aim of the games is to provide our young athletes from deeply rural area with an opportunity to showcase their talent.

The participating codes for the Tournament are as follows: Soccer Males, Netball females, Boxing and IG's (Umlabalaba and Ingqathu).

The preparations shall start at local level where teams from areas (Izigodi) will compete amongst them to constitute the teams that will represent them at District level.

The District games for Amakhosi Asemzansi 2019 was hosted by uMfолоzi Local Municipality on the 02 of March 2019 at Dondotha area.

Mthonjaneni Municipality was requested to assist with transport for the teams to and from Amakhosi Asemzansi District Games.

### **REGIONAL SAB PLAY OFFS 2018/9**

Mthonjaneni Local Football Association for the first time ever on the 26 May 2019 hosted regional play-offs.

Twelve teams from the entire district participated in this regional play-offs which was attended approximately by 1000 spectators. One notices that our town was crowded even though it was not a normal busy day (Sunday) and that contributed to our local economy.

Mthonjaneni Municipality was represented by three teams [Blue stars (ward 4); Young stars (ward 2), Njomelwane all stars (ward 3)] and they performed at their level best even though they couldn't reach the finals.

However it was a great opportunity and experience as Mthonjaneni Municipality to host an event of this magnitude and our LFA has shown us their capacity to take our local football to the highest level.

Mthonjaneni Municipality warmly welcomes the hosting of the event by our local football association as the games were attended by Municipal representatives and were supported financially.

Mthonjaneni Municipality assisted our Local Football Association with the following items as per their request:

Two poles tent with 50 chairs  
Catering for 50 people  
Two tables

## SPECIAL PROGRAMS

### Reed Dance

The Community Services Department within the Municipality of Mthonjaneni have successfully organized that the Municipality participate in Reed Dance ceremony that normally takes place yearly at the Enyokeni Royal Palace at KwaNongoma. 750 maidens were transported by 9 buses to attend the Reed Dance ceremony. The Mayor of Mthonjaneni Municipality, Cllr S.B.K. Biyela encouraged the maidens to be proud of their culture and to abstain from sexual activities till they are old enough to engage on them.

### ***The Mayor, Deputy Mayor, Speaker and the maidens***



### ***Maidens parading with The Mayor, Deputy Mayor, Speaker around Mthonjaneni CBD***



### **Heritage Month**

The Community Services Department within the municipality of Mthonjaneni successfully organized local Heritage celebration for the Municipal staff during the heritage month in September. The event took place at Mthonjaneni Town hall. All Municipal departments participated by performing different cultural dances. The cultural dances included: Indlamu, Isishiyameni, Umshado and many more. The Honourable Mayor, Cllr S.B.K. Biyela graced the event by his presence.



## YOUTH

### **Nyus' Volume**

The Community Services Department within the municipality of Mthonjaneni successfully organized Nyus' Volume event in December 2018 in partnership with Ukhozi FM. This event draws above ten thousand (10 000) people from all wards of Mthonjaneni.

The event took place at Mthonjaneni Sportsfield. Over 3000 people from all 13 wards attended the prayer we had with Dudu Khoza.



***The Mayor, and Ukhozi FM presenter, Mr Siya Mhlongo***



During the main event of Nyusi'Volume, the community of Mthonjaneni came in numbers and was being entertained by various artists.





For the sake of protecting our communities, the event took place even at night and the stadium was still packed. The security measures were in place to ensure that everyone attended is protected.



### **Zulu Dance**

The Community Services Department within the municipality of Mthonjaneni successfully organized local Zulu Dance competition. The competition was hosted at Mthonjaneni Indoor Sports Centre. Genres that were performed were: Indlamu (males), Amahubo (Females), Isizingili (Females) and Isishiyameni (Males). There were prizes that were won on the day and the prizes per genre were:

Position 1 – R 3000.00

Position 2 – R 2000.00

Position 3 – R 1000.00

All position 1 winners from different codes were selected to represent the Municipality at King Cetshwayo District Ingoma Competition.

## Indlamu



## BURSARIES

Within the youth office in January we were given the opportunity to facilitate the bursary scheme project together with corporate department. The bursary scheme supported 78 students with registration fee of R4000.00 per student. On the 23<sup>rd</sup> of January 2018 a ceremony was done at the Indoor Sports Centre which was to award these 78 students with bursaries. The event was attended by the Mayor together with councillors of the municipality.





## **PROGRESS REPORT ON THE PROJECT.**

After the award ceremony the students were called to check on how they registered as a way of monitoring the contribution made by the municipality. Most of the students registered well and appreciated the call from the municipality.

The University of Kwa-Zulu Natal then emailed the municipality the progress report of these students together with a proof of payment from their side. Please the attached emails. These students are doing well and are adapting to the new life of Higher Education.



## **DRIVERS LICENCE PROJECT**

The Mayor His Worship Cllr S.B.K Biyela came up with this project for young people in assisting them to get drivers licences. The Mayor said that; one of the municipalities core values that guide the municipality which is commitment, he said that indeed the municipality is committed to youth development and perceive this project as that which will improve their employability prospects. The Youth of Mthonjaneni were set to benefit from this initiative that aims to assist them in getting their drivers' licences as it is one of the requirements in almost 85% of job advertisements.

## **OBJECTIVES OF THIS INITIATIVE**

- Support the youth on their employability prospects.
- Skills development.
- Participate on youth development initiative of His Worship The Mayor.

## DRIVERS LICENCE HANDOVER

The event was held on the 18<sup>th</sup> of October 2018 at the Indoor Sports Centre. The handover was graced by the Presence of His Worship the Mayor Cllr S.B.K Biyela. 84 beneficiaries attended the handover together with their two parents as it was requested. The event was a great success as the team worked hard to make it a success being assisted by the Acting Director of Community Services.

On the day parents of these beneficiaries were excited and passed their gratitude to the Mayor for his outstanding commitment to the youth of Mthonjaneni. One could witness the joy on the faces of the beneficiaries on the opportunity. The launch saw a number of people within the communities of Mthonjaneni being thankful about this project as it was for the first time being initiated within the municipality.

The event was attended by people close to 450 which comprised of the beneficiaries, two of their parents, councillors, tribal leaders, community leaders, government departments and the religious sector.

## 2<sup>nd</sup> YOUTH SUMMIT 28 JUNE 2019

The municipality hosted the second Youth Summit the 28<sup>nd</sup> of June 2019. 10 delegates per ward were in attendance which constituted 130 delegates and other relevant stakeholders.

- The youth benefited from the summit as they were informed on various projects done within the municipality those are to develop the youth.
- The draft 2018-2021 Youth policy was presented to the youth for their inputs.
- The youth were given an opportunity to give feedback on their state of youth development per wards.



## LOCAL ECONOMIC DEVELOPMENT

### Informal Traders Support Material Handover

The Community Services Department within the municipality of Mthonjaneni successfully organized the Informal Traders Support Material Handover event. The event was hosted at Mthonjaneni Indoor Sports Centre. The event took place on the 28<sup>th</sup> of February 2019 and it was a huge success.

It was attended by Informal Traders from our local municipality.





### **Maritime Incubation Programme**

The Maritime Incubation Programme is a programme implemented by the Department of Economic Development Tourism and Environmental Affairs and the KZN Natal's Shark board is a government company with the mandate to support and promote the maritime industry within the areas of KwaZulu Natal.

The maritime incubation programme was initiated to champion and advocate for the maritime industry through bridging the gap between industrial policy from government and the private sector, thereby unleashing the economic growth in the maritime industry.

The key objective of the programme is to Foster the growth of small and medium sized businesses in the industry as well as the transformation of the maritime industry.

The programme is piloted in 2 coastline district municipalities, UGU District and King Cetshwayo District Municipalities and it is targeting the Human Development Index which are historically disadvantaged individuals (women, youth and people living with disabilities).

There were open invitations that were send out to all interested SMME's and they were expected to submit a 3 pages business plans.

### **Tourism Graduate Development Programme**

The Tourism Graduate Development Programmes aims to assist tourism graduates with opportunities for experiential learning with a view to providing them with much needed experience in preparation for full time employment or entrepreneurial opportunities.

Graduates are placed in various District, Local municipalities, Visitor Information Centres, and private businesses for a period of 12 months for those graduates who have completed their studies and six months for those who needs to complete their studies but needs in-service training.

The financial implications For Mthonjaneni one graduate will be placed for the internship for a period of 12 months and one internship for 6 months for graduate that is still at school.

for the stipends are incurred by the Department of Economic Development and Tourism as the custodians of the programme.

## COMPONENT H: ANNUAL PERFORMANCE REPORT

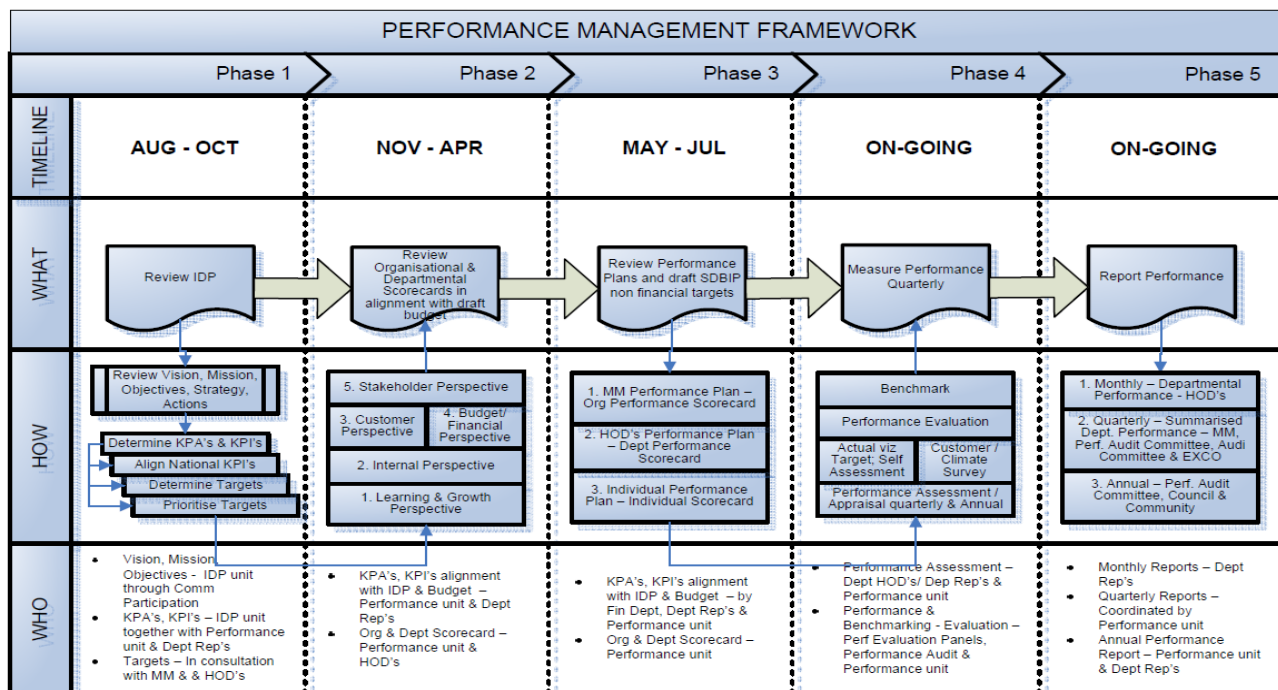
### Organisational Performance Management Process

Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework and will remain for the duration of the IDP period for consistency in measuring and reporting on long term strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established. A process to ensure regular reporting is in place and is fed back to the Council via the Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Heads of Department. These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

Performance Evaluation Panels have also been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager. These panels meet on a quarterly basis to evaluate individual performance.

The following diagram illustrates a summary of the newly developed performance management framework for the Mthonjaneni Local Municipality for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



**Mthonjaneni Performance Management Framework diagram**

## Audit Committee

New members of the Audit committee were appointed during the 2017/2018 financial year.

The Audit Committee did meet as required by legislation on a quarterly basis. The minutes of meetings are available in the Portfolio of Evidence of the Municipal Manager.

## Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

The auditing of the Performance Management System and Audit of Performance Information was performed and reports were received for each quarter in terms of the following:

### Quarter 1

Review the functionality of the Performance Management System and management's compliance thereto.

### Quarter 2:

Review scorecards on a test basis to supporting evidence on a sample basis;  
Record the system/systems (electronic and/or manual) that are used to generate the performance information and perform walkthrough testing to validate (AOPI); and  
Perform detailed testing on selected performance information (AOPI).

### Quarter 3:

Ensure compliance with the requirements of the PMS regulations for quarter 3.

### Quarter 4:

Review scorecards on a test basis to supporting evidence on a sample basis;  
Perform detailed testing on selected performance information (AOPI); and  
Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

## Back to Basics

The municipality have complied with Cogta by ensuring that back to basics is being done on monthly basis and submitted to National Cogta also on quarterly basis and submitted to Provincial Cogta-KwaZulu Natal. The scores are as follows:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
81%	84%	84%	76%

**STRATEGIC FRAMEWORK AS PER 2018/2019 INTEGRATED DEVELOPMENT PLAN**

IDP REF	NATIONAL KPA	GOAL	OBJECTIVE	STRATEGY	RESPONSIBLE DEPARTMENT
A.1	<b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>	<b>PROVIDING HIGH LEVEL OF AFFORDABLE ESSENTIAL SERVICES</b>	To reduce infrastructure backlogs	Provision of rural access roads	Director Technical Services
				Provision of urban roads	Director Technical Services
A.2			To provide electricity/energy within Mthonjaneni	Ensure the provision of new electrification connections in urban and rural areas.	Director Technical Services
A.3			To provide waste management services within Mthonjaneni	Implement Integrated Waste Management Plan	Director Technical Services
A.4			To ensure the availability of office space for municipal employees	Construction of Municipal Admin block	Director Technical Services
A.5			To maintain Council immovable property/assets	Maintain Council buildings within budget for the financial year	Director Technical Services
				Maintenance of rural access roads	



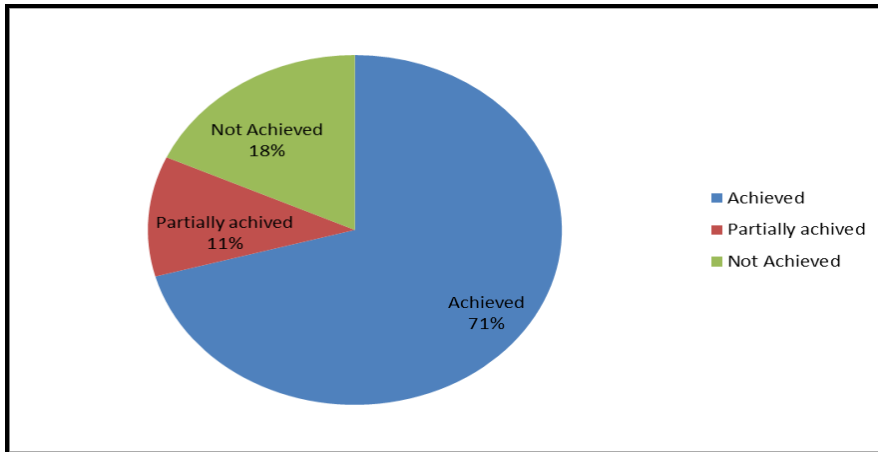
B.1	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		Ensure safe and secure work environment	Implement approved municipal organogram	Director Corporate Services
C.1	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Providing service excellence	To be financial viable by increasing revenue and reducing debt	Manage finances in line with required legislation	Chief Financial Officer
C.2			To ensure that transparency is attained	Ensure regular reporting on SCM and Municipal Assets	Chief Financial Officer
D.1	GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Good governance	To provide sound external and internal communication	Ensure effective municipal structures i.e. Council, EXCO and ward committees	Director Corporate Services
D.2			To ensure accountability and transparency	Implement the Performance Framework Policy	Office of the Municipal Manager
D.3			To ensure access to information	Ensure approval of Annual Report	Office of the Municipal Manager
	LOCAL ECONOMIC DEVELOPMENT	Providing	To ensure LED in	Create job	Director

D.4		<b>opportunities for all to aspire to a better future</b>	the municipality and create economic opportunities	opportunities through poverty alleviation programs	Technical Services
E.1	<b>CROSS CUTTING INTERVENTIONS</b>	<b>Encouraging community participation in service delivery</b>	To ensure that Council is striving towards its vision and mission	Preparation of an IDP within the legal guidelines	Office of the Municipal Manager
				Effective community participation as promulgated in terms of Chapter 4 of the MSA no 27 of 2000	Office of the Municipal Manager
E.2		<b>Environmentally friendly developments</b>		Develop Mthonjaneni Spatial Development Framework (SDF) by 30 June 2018.	Director Technical Services
E.3		<b>Supporting the poor and vulnerable groups</b>	To facilitate the social development of marginalized groups	Ensure effective gender, disabled and senior citizens structures	Director Community Services
E.4			To reduce incidents of HIV/AIDS Infections	Implement HIV/AIDS Reduction programs	Director Community Services
E.5		<b>Ensure community safety and security</b>	To implement Traffic Management services	Implement traffic management	Director Community Services

## ANNUAL ORGANISATION PERFORMANCE INFORMATION

The Annual Performance Report for the 2018/2019 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN COGTA). The Organisational Performance Scorecard table was presented to the Auditor General for auditing together with the Annual Financial Statements by 31 August 2018.

### OPERATIONAL PLAN GRAPHICAL REPRESENTATION OF PERFORMANCE: ALL MUNICIPAL PERFORMANCE INDICATORS



### SUMMARY OF MUNICIPAL PERFORMANCE

#### Electricity:

The Mthonjaneni electricity losses have slid from the previous year of 11.38% to 13.51%. The plan in place to further reduce the electricity losses were vigorously implemented during the financial year. Mthonjaneni Municipality electricity has connected a total of 75761 Households within the financial year. Most of these connections were from the rural wards.

#### Roads:

The Roads Section continues to address the backlog of gravel roads. An attempt is made every year to upgrade 20 km of gravel roads into “all weather” surfacing in order to render uninterrupted access and safety.

The department has continued with its programme of upgrading gravel roads with a vision of reducing the high backlog of gravel roads within the municipal area. A total of 9.7 km were upgraded in 2018/2019 financial year. Funds are slowly being made available by the municipality towards the rehabilitation programme, which makes up the preventative maintenance. In access, 30000m<sup>2</sup> of road surfacing was attended in 2018/2019.

## Disaster Management

During financial year 2018/2019, an estimation of 200 incidents responded to affected 12506 community members, cost emergency relief R150 000.00 Community and school awareness campaigns conducted reached 6000 community members in Mthonjaneni area.

Disaster Management plan was approved in March 2018 by council.

## Indigents (Free Basic Services)

Council receives Equitable Share to subsidise those who cannot afford to pay for the minimum needs in life. The objective in calculating the amount to be subsidised, must be to prevent an increasing balance on the account of an indigent as it will be difficult to recover the debt in a humanly way. According to the Municipal Systems Act 2000, Section 74(3) and 75(2) stipulates, "A tariff policy may differentiate between different categories of users/debtors. The Mthonjaneni Municipality provided free basic electricity to a total of 1117 households during the 2018/2019 financial years.

## SUMMARY OF PERFORMANCE PER NATIONAL KPI

POOR

SATISFACTORY

GOOD

Infrastructure Development and Service Delivery	85%
Municipal Transformation and Institutional Development	93%
Good Governance and Public Participation	94%
Financial Viability and Financial Management.	97%
Local Economic Development	87%
Cross Cutting Intervention-(Community & Social Development)	90%

The following table reflects the organizational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial years as well as reflecting:

## ASSESSMENT OF PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

### Assessment rating scale:

Terminology	Description	Rating				
		1	2	3	4	5
<b>Outstanding performance</b>	Performance far exceeds the standards of the service provider at this level. The appraisal indicates that the service provider has achieved above fully effective results against all performance criteria and indicators as specified and maintained this in all areas of responsibility throughout the year.	5				
<b>Performance significantly above expectation</b>	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified.	4				
<b>Fully effective</b>	Performance fully meets the standards expected in all areas of the job. The appraisals indicate that the service provider has fully achieved effective results against all significant performance criteria and indicators as specified.	3				
<b>Performance not fully satisfactory</b>	Performance is below the standards required for the job key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the service provider has achieved below fully effective results against more than half the key performance criteria and indicators as specified.	2				
<b>Unacceptable performance</b>	Performance does not meet the standard expected for the job. The review/assessment indicates that the service provider has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance up to the level expected in job despite management efforts to encourage improvement.	1				



Mthonjaneni Local Municipality Organisational Performance Management Scorecard - 2018/2019

IDP Indicatio r No.	National Key Performa nce Area	Mthonjaneni Developmen t Goals	Strategies	Performance Indicator	Unit of Measure	IDP 2018/2019									Responsi ble Departm ent
						Annual Target	Target Quarter 1	Actual Achievem ent Quarter 1	Target Quarter 2	Actual Achievem ent Quarter 2	Target Quarter 3	Actual Achievem ent Quarter 3	Target Quarter 4	Actual Achievem ent Quarter 4	
1.2			Maintanan ce of rural roads	Ensure the regravelling of the 5km of rural raods: Nungwini (Ward 1), Mfule (Ward 4)& Manzawayo (Ward 5) by 30 June 2019	Number of kilometers completed	5km of rural roads to be regravelle d, in each of the four wards by 31 March 2019.	Advertise tender and appoint service provider.	Target not achieved - an advert for the intention to award is on paper	2km of rural roads to be regravelled in the second quarter in each of the four wards.	Nungwini Gravel road overall progress is at 17% complete. Manzawayo Gravel Road overall progress is at 19% complete. Imfule Gravel Road is at 29% complete.	3km of rural roads to be regralled in the third quarter ( A total of 5km of rural road in Nungwini, Mfule& Manzawa yo to be regravelle d by 31 March 2019).	Nungwini 17% complete, Manzawa yo 43% complete, Imfule 42% complete	-	63% = Nungwini, 57% = Imfule, 75%= Manzawa yo	Director Technical Services
1.3			Maintanan ce of urban roads	Ensure the rehabilitation of a total of 6km urban roads in wards 2 and 3 by 30 June 2019,	Number of kilometers completed	6km of urban roads to be constructe d by 30 June 2019.	Advertise tender and appoint service provider.	Target achieved, service provider has been appointed	Site establishm ent and constructio n of foundation . (30%)	Site establishm ent is at 100% and total work completion is at 45%	3km of urban road to be rehabilita ted	Total work completio n is 54%	3km of urban road to be rehabilita ted	58%	Director Technical Services
1.2			Provide ECD centres in rural areas	Ensure the construction and 100% completion of Gobihlahla creche by 30 June 2019.	Percentage of constructio n completed	100% Constructi on of the creche by 30 June 2019.	Advertise tender and appoint service provider.	Target achieved, service provider has been appointed	Site establishm ent and constructio n of foundation of the creche. (30%)	Site establishm ent is at 100% and total work completion is at 59%	Constructi on of walls, ablution block and roofing in each of the creche(60 %)	Work completio n is 75%	Wall plaster, windows and fencing of the creche (100%)	88% complete	Director Technical Services

1.4		Implement Integrated Waste Management Plan	Ensure the appointment of a service provider to transfer of waste from the municipal transfer station to a registrerd land fill site by 31 December 2018	Date service prover appointed	Appoint service provider by 31 December 2018,	Advertise tender and appoint service provider by 31 December 2018,	Advertise d on BEC	Transfer of waste from the municipal transfer station to a registrerd land fill site	The tender is on the Bid Adjudicati on Committee stage to finalise the appointme nt of a service provider	Transfer of waste from the municipal transfer station to a registrerd land fill site	The tender is on the Bid Adjudicati on Committee stage to finalise the appointm ent of a service provider	Transfer of waste from the municipal transfer station to a registrerd land fill site	Target not achieved	Director Technical Services
1.5		maintenan ce of gravel roads infrastru ct ure	Ensure the 100% spending and 100% completion of gravel roads infrastructure maintenance by 30 June 2019	Rand value of budgeted amount spent on maintenanc e	100% completio n of maintenanc e of gravel roads infrastru ct ure by 30 June 2019	Advertisin g and appointm ent of Service provider.	Target achieved, service provider has been appointed	50% competio n of maintenanc e of gravel roads	50% complete	70% completio n of maintena nce of gravel roads.	80% complete	100% completio n of all maintena nce of roads.	100%	Director Technical Services
		Constructi on of communit y hall	Ensure construction and 100% completion of Mpevu community hall and Ntombokazi community hall by 30 June 2019	Percentage of constructio n completed	100% completio n of constructio n of the hall.	Advertise tender and appoint service provider.	Target achieved, Service provider has been appointed	Site establishm ent and constructio n of foundation . (30%)	Site establishm ent is at 99% and total work completion is at 83% for Mpevu & 85% for Ntomboka zi	Constructio n of walls, ablution block and roofing (60%)	99% complete	Wall plaster, windows and fencing of the creche (100%)	100% Complete	Director Technical Services
1.7		Maintain Council buildings within budget for the financial year	Ensure 100% completion of maintenance of projects of Council buildings by June 2019	Rand value of budgeted amount spent on maintenanc e	100% completio n of maintenanc e of Council buildings by 30 June 2019	30% completio n	30% Completio n	50% completion	50% complete	70% completio n	70% complete	100% completio n	100%	Director Technical Services

2.1	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	Providing a safe and secure environment	Training & development of staff in accordance to Skills Development Plan by ensuring that staff are trained by 30 June 2019 and submit reports to portfolio on a quarterly bases	Prepare and submit the Skills Development Plan to Council for approval by 30 June 2019	number of staff trained	4	-	-	-	-	-	-	2019/06/30	2019/06/30	Director Corporate Services
2.3			Implement approved municipal organogram	Ensure the implementation of the approved municipal organogram by ensuring that 4 critical positions are filled by 30 December 2018.	Number of critical positions filled	2 Critical position	2 critical positions to be filled by 30 September 2018	1 critical positions to be filled by 30 December 2018.	-	-	-	-	-	-	Director Corporate Services
1.11	FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	Providing service excellence	Manage finances in line with required legislation	Ensure financial sustainability and viability of the organisation by maintaining the cost coverage and outstanding service debtors to revenue quarterly and debt coverage ratio bi-annually.	(Total operating revenue received - operating grants) / Debt service payments	1.50 : 1.00	1.50 : 1.01	1.50 : 1.01	1.50 : 1.00	1.50 : 1.01	1.50 : 1.01	1.50 : 1.01	1.50 : 1.00	1.50 : 1.01	Office of the Municipal Manager
1.10					Outstanding service debtors / revenue actually received for services	0.50 : 1.00	-	-	-	-	-	-	0.50 : 1.00	-	Office of the Municipal Manager

1..12					((Cash and Cash Equivalent s - Unspent Conditiona l Grants - Overdraft) + Short Term Investment ) / Monthly Fixed Operationa l Expenditur e excluding (Depreciati on, Amortisati on, and Provision for Bad Debts, Impairmen t and Loss on Disposal of Assets))	2 months	2 months	2 months	2 months	2 months	2 months	2 months	2 months	2 months	Office of the Municipa l Manager	
3.1				Ensure 100% expenditure of grants and subsidies by 30 June 2019.	Percentage	100% expenditur e on all grants and subsidies by 30 June 2019.	20% spent during this quarter	20% spent during this quarter	60% spent during this quarter	60% spent during this quarter	80% spent during this quarter.	80% spent during this quarter.	100% spent by the end of the financial year.	100%	Office of the Municipa l Manager	
3.3				Prepare and submit quarterly report to MANCO on the Financial Viability of Mthonjane ni LM and the achieveme nt of 65% debtors collection target. 4 reports by 30 June 2019	Submission of Quarterly reports to MANCO	Number of reports submitted.	65% debtor collection and 4 reports submitted to MANCO by 30 June 2019.	65% Collection	81.1% collection & 1 report submitted to MANCO	65% Collection	89.55% collection	65% Collection	92.02%	65% Collection	65%	Chief Financial Officer
3.4				Monitor	submission of	Number of	12	3	3 reports	3	3 reports	3	3 reports	3	3	Chief

3.5			the payment of creditors and salaries by submitting monthly reports MANCO.	monthly reports to MANCO	reports to MANCO			submitted to MANCO		submitted to MANCO		submitted to MANCO			Financial Officer
GKPI(C)															
1.17; 1.18; 1.19	GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	Good governance	Ensure effective municipal structures i.e. Council, EXCO and ward committees	Ensure effective municipal structures and communication both externally and internally by facilitating 4 Council meetings, 11 EXCO, 33 Portfolio and 04 MPAC meetings by 30 June 2019 as per the approved schedule of meetings.	Number	4 Council meetings by 30 June 2019.	1 meeting	4	1 meeting	4	1 meeting	1	1 meeting	1	Director Corporate Services
					Number	11 EXCO meetings by 30 June 2019.	3 meetings	3	2	2	3 meetings	3	3 meeting	3	Director Corporate Services
					Number	33 Portfolio committee meetings by 30 June 2019.	9 meetings	9	6	6	9 meetings	9	9 meeting	9	Director Corporate Services
					Number	04 MPAC meetings by 30 June 2019.	1	1	1	1	1	0	1	1	Director Corporate Services
		Implement the Performance Framework Policy	Prepare and submit the final 2018/2019 OPMS scorecard to Council by 30 June 2018.	Date	Approved 2018/2019 scorecard by Council by 2018-06-30	-	-	-	-	-	-	Approved 2018/2019 scorecard by Council by 2018-06-30	OPMS aproved by 30 June 2018	Office of the Municipal Manager	
Ensure the submission of the Annual Performance report to Auditor General by 31 August 2018.			Date	APR submitted to AG by 2018-08-30	Submit APR by 2018/08/30 to AG.	Target achieved. APR submitted to AG by 2018/08/30	-	-	-	-	-	-	Office of the Municipal Manager		
Ensure that all senior managers sign performance agreement for the 2018/2019 financial year by 31 July 2018.			Number	4 Performance agreements signed by 31 July 2018.	Performance agreements signed by 31 July 2018.	Senior Managers signed Performance agreements by 31 Jult 2018	-	-	-	-	-	-	Office of the Municipal Manager		
1.20; 1.21; 1.23; 1.24															



				Ensure that performance reviews of Senior managers takes place on a quarterly bases and a total of 4 to be held by 30 June 2019.	Number	4 performance evaluations to be held by 30 June 2019.	1 evaluation meeting during the first quarter.	The date for evaluation has been set for the beginning of quarter 2	1 evaluation meeting during the second quarter.	1 evaluation meeting held covering quarter 1 & 2	1 evaluation meeting during the third quarter.	evaluation to be done during quarter 4	1 evaluation meeting during the forth quarter.	1 evaluation meeting	Office of the Municipal Manager
			Ensure approval of Annual Report	Ensure the drafting and submission of the draft 2017/2018 Annual Report to Council for approval by 31 January 2019. Submit the final Annual Report to Council for approval by 31 March 2019.	Date	Final 2017/2019 Annual Report approved by Council by 2019-03-30	-	-	Draft 2017/2018 Annual Report approved by Council on 28 January 2019.	Draft 2017/2018 Annual Report approved by Council on 24 January 2019.	Final Annual report submitted to Council by 2019-03-30	Final Annual report approved by Council on 27 March 2019	-	-	Office of the Municipal Manager
1.25	LOCAL ECONOMIC DEVELOPMENT  CROSS CUTTING INTERVENTIONS	Providing opportunities for all to aspire to a better future	Create job opportunities through poverty alleviation programmes	Ensure poverty alleviation through the creation of 80 EPWP by 15 August 2018.	Number	80 EPWP jobs created by 15 August 2018.	Employ 80 EPWP contract workers	90 EPWP jobs created by 15 August 2018	-	-	-	-	-	-	Director Technical Services
1.28		Encouraging community participation in service delivery	Preparation of an IDP within the legal guidelines	Prepare and submit the final 2019/2020 IDP to Council for approval by 30 June 2019.	Date	30-Jun-18	-	-	-	-	Approval of the Draft IDP by Council by 30 March 2019.	draft reviewed IDP approved by Council on 27 March 2019	Approval of the Final IDP by Council by 2019-06-30	Final IDP by 06 June 2019	Office of the Municipal Manager
1.29			Effective community participation as promulgated in terms of Chapter 4 of the MSA no 27 of 2000	Ensure public participation during the IDP process by ensuring a total of 15 IDP/Budget roadshows takes by 30 June 2019	Number	15 IDP/Budget roadshows by 30 June 2019.	-	-	13 IDP MEETINGS by 31 December 2018.	14 IDP MEETINGS held by 30 November 2018.	-		2 IDP Meetings by 30 June 2018.	14 IDP meetings held	Office of the Municipal Manager

1.30	Environment ally friendly developmen ts	Ensure the reviewal and approval of the Spatial Developm ent Framework k by Council by 30 June 2019.	Approved SDF by 30 June 2019.	Date	Approved SDF by 2019-06-30	Advertis e and appoint service provider.	Service provider has not been appointed , but the tender was advertised during the 2017/2018 FY	Status quo report to be completed by 31 December 2018	Appointme nt has not been made. The tender will be re-advertised in January 2019.	Advertise draft SDF by 31 March 2019.	Target not met due to insufficien t budget	Approval of Final SDF by Council by 30 June 2019.	Target not met due to insufficien t budget	Office of the Municipa l Manager
1.31; 1.32; 1.33; 1.34; 1.35	Supporting the poor and vulnerable groups	Ensure effective gender, disabled and senior citizens structures	Ensure the effectiveness of marginalised group structures within the municipality by ensuring 1 meeting per marganalised group per quarter.	Number of Men's Forum meetings held	4	1 meeting	1 meeting 2018/07/12	1 meeting	1 meeting held	1 meeting	1 meeting held	1 meeting	1 meeting held	Director Communi ty Services
				Number of Women's Forum meetings held	4	1 meeting	1 meeting 2018/08/14	1 meeting	1 meeting held	1 meeting	1 meeting held	1 meeting	1 meeting held	Director Communi ty Services
				Number of Youth Forum meetings held	4	1 meeting	1 meeting 2018/09/28	1 meeting	1 meeting held	1 meeting	0	1 meeting	1 meeting held	Director Communi ty Services
				Number of Disability Forum meetings held	4	1 meeting	1 meeting 2018/09/13	1 meeting	1 meeting held	1 meeting	1 meeting held	1 meeting	1 meeting held	Director Communi ty Services
1.36	Ensure community safety and security	Implement Operation Sukuma Sakhe programm es	Ensure sitting of LTT and war rooms meetings in all wards.	LTT and War room meetings	Monthly and war room meetings	3 LTT and 3 war room meetings	0	3 LTT and 3 war room meetings	2 LTT meetings and 3 war room meetings	3 LTT and 3 war room meetings	3 meetings held	3 LTT and 3 war room meetings	3 meetings held	Director Communi ty Services
1.37		Implement traffic managem ent	Ensure the implementation of effective traffic management through at least 2520 camera operating hours and the issueing of 1500 hand written tickets	Number of ticket issued	1500 hand written tickets to be issued by 30 June 2019	375 hand written Tickets to be issued	314	375 hand written Tickets to be issued	394	375 hand written Tickets to be issued	552	375 hand written Tickets to be issued	101	Director Communi ty Services

1.38		by 30 June 2019											
		Ensure that 1440 drivers licences bookings are done by 30 June 2019.	Number of drivers licence bookings	Ensure that 1440 drivers licences bookings are done by 30 June 2019	360 bookings	473	360 bookings	180	360 bookings	413	360 bookings	469	Director Community Services

**ANNEXURE B: ANNUAL FINANCIAL STATEMENTS**  
**2018/19**



MTHOMANI LOCAL MUNICIPALITY  
(REGISTRATION CODE KZN 285)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018



## ANNEXURE C: AUDIT REPORT 2018/19

Auditor-General of South Africa

**Mthonjaneni Municipality**

**Audit report 2018-19**

## MTHONJANENI LOCAL MUNICIPALITY – AUDIT ACTION PLAN 2018-19 FINANCIAL YEAR

Type of Opinion Current Year (2018/19) : Unqualified

Type of Opinion Previous Year : Unqualified

### INTRODUCTION

For an action plan to properly produce the desired results, the transactions need to be divided into the two main classes:

- (a) Financial Matters – which can be addressed in retrospect
- (b) Non-financial Matters – This may not be adjusted in retrospect. For example if a deadline was not met, nothing can be done in retrospect but measures must be in place to avoid that in future.

Addressing (a) leads to a financially unqualified report whilst addressing both (a) and (b) leads to a clean audit report. Having a disclaimer may entail prioritizing (a) so as to improve the audit opinion.

Nature Of Audit Query	Audit Query	Audit Response (Quarter 1)	Audit Response Progress (Quarter 2)	Audit Response Progress (Quarter 3)	Audit Response Progress (Quarter 4)
<b>1. Material amendments to the annual financial statements</b>	<p>In terms of section 122(1) of the Municipal Finance Management Act of the Republic of South Africa, 2003 (Act No. 56 of 2003) (MFMA), "Every municipality and every municipal entity must for each financial year prepare annual financial statements which-</p> <p>(a) Fairly presents the state of affairs of the municipality or entity, its performance against budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year"</p> <p>During the audit of the annual financial statements the following material misstatements were identified in the disclosure items which were subsequently corrected. These material misstatements also constitute non-compliance with section 122(1) of the Municipal Finance Management Act (MFMA).</p> <p>Management did not ensure that the financial statements</p>	<p><u><b>ACTION TO BE TAKEN</b></u></p> <p>The major difference was caused by the late changes to the AFS affecting the cash flow that was not adjusted. AFS will be adequately reviewed before submission</p> <p><u><b>Responsible Official</b></u> <b>CFO, NM Myeni</b></p> <p><u><b>Target Date</b></u> 31 August 2020</p>	<p><u><b>ACTION TO BE TAKEN</b></u></p> <p>Currently busy with interim AFS to be finalized by 28 February 2020. They will be reviewed by internal auditors before submission to council committees.</p> <p><u><b>Responsible Official</b></u> <b>CFO, NM Myeni</b></p> <p><u><b>Target Date</b></u> 31 August 2020</p>		

	were adequately reviewed prior to being provided for audit as to ensure compliance with GRAP standards.																			
2. EXPENDITURE MANAGEMENT	<p>Irregular expenditure/fruitless and wasteful expenditure incurred in the prior year was not prevented from recurring in the current year</p> <p>Section 62(1)(d) of the MFMA states that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorized irregular or fruitless and wasteful expenditure and other losses are prevented;"</p> <p>During the audit of the disclosure notes, it was noted that management had incurred irregular and fruitless and wasteful expenditure for the 2018/2019 financial year, refer below for the analysis: -</p> <table><tr><th>Details</th><th>O/B</th><th>Incurred</th><th>W/O</th><th>C/B</th></tr><tr><td>F&amp;W Note 42</td><td>56 504</td><td>341 816</td><td>0</td><td>398 320</td></tr><tr><td>Irregular note 43</td><td>110 555 332</td><td>23 546 083</td><td>- 46 178 497</td><td>81 481 462</td></tr></table> <p>irregular, fruitless and wasteful expenditure</p> <p>(a) occurred in the current and prior years</p> <p>(b) could have been avoided had reasonable care been taken.</p> <p>The majority of the irregular expenditure was as a result of competitive bids was adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year</p>	Details	O/B	Incurred	W/O	C/B	F&W Note 42	56 504	341 816	0	398 320	Irregular note 43	110 555 332	23 546 083	- 46 178 497	81 481 462	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>An application for exemption has been made to the National Treasury for the composition of the bid adjudication committee that is causing irregular expenditure. Follow up to be made on the request for exemption from the National Treasury on bid adjudication committee composition.</p> <p><b><u>Responsible Officials</u></b> SCM MANAGER , DB Mlondo CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 March 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>We still awaiting response from National Treasury in terms of exemption. A follow up letter will be drafted and sent to NT.</p> <p><b><u>Responsible Officials</u></b> SCM MANAGER , DB Mlondo CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 March 2020</p>		
Details	O/B	Incurred	W/O	C/B																
F&W Note 42	56 504	341 816	0	398 320																
Irregular note 43	110 555 332	23 546 083	- 46 178 497	81 481 462																

<p><b>3. No investigations conducted in terms of prior and current year fruitless and wasteful expenditure as disclosed in the 2018/2019 annual financial statements</b></p>	<p>In terms of Section 32(4) of the Municipal Finance Management Act, Act No. 56 of 2003(MFMA), the accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—</p> <ul style="list-style-type: none"> <li>(a) Any unauthorized, irregular or fruitless and wasteful expenditure incurred by the municipality</li> <li>(b) Whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and</li> <li>(c) The steps that have been taken— <ul style="list-style-type: none"> <li>(i) To recover or rectify such expenditure; and</li> <li>(ii) To prevent a recurrence of such expenditure.</li> </ul> </li> </ul> <p>During the audit of fruitless and wasteful expenditure, it was identified that the municipality had not conducted an investigation into the fruitless and wasteful expenditure that has been disclosed in note 42 of the financial statements, amounting to R341 816 (2018: R56 504), as required per the MFMA.</p> <p>This results in non-compliance with the provisions of the MFMA.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Submission was made to the MPAC in terms of UIFW expenditure for prior years. MPAC then recommended to the council to write off irregular expenditure due to noncompliance in terms of bid adjudication committee composition.</p> <p>We will Re-Submit a report to the MPAC with recommendations to investigate the other UIFW expenditure that was not written off.</p> <p><b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo ,MEFR, A Shandu, CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 March 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>UIFW report submitted to the Mpac sitting that took place on 30 January 2020 and will be done ongoing.</p> <p><b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo ,MEFR, A Shandu, CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 March 2020</p>		
<p><b>4. Awards made to non-tax compliant suppliers</b></p>	<p>In terms of MFMA section 112 (l)(iii), The supply chain management policy of a municipality must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>CSD or supplier tax pin will be verified on the tax status of each supplier prior to</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Checklist in place as a control measure in this regard.</p>		

	<p>municipal supply chain management, which must cover at least the following:</p> <p>(i)(iii) the barring of persons from participating in tendering or other bidding processes, including persons whose tax matters are not cleared by South African Revenue Service.</p> <p>In terms of Municipal Supply Chain Regulation 43 (1) The supply chain management policy of a municipality irrespective of the procurement process followed, state that the municipality may not award any award above R1 5000 to a person whose tax matters have not been declared by the South African Revenue Services to be in order.</p> <p>In terms of paragraph 43 (1 and 2) of the Municipality's SCM Policy, no award above R30 000 may be made in terms of this policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order. Before making an award to a person the Bidder must first prove whether that person's tax matters are in order by the annual submission of an original tax clearance certificate as issued by SARS.</p> <p>In terms of MFMA Circular 90, designate officials, preferably from the supply chain management unit, whose function will be to verify the tax compliance status of a taxpayer and to manage the TCS system on the SARS website and have the functionality to verify the tax compliance status of a taxpayer on the SARS' e-Filing system.</p> <p>The CSD and tax compliance status PIN are the approved</p>	<p>awarding even when it is a deviation transaction. This will be controlled through the checklists introduced for SCM and Expenditure.</p> <p><b>Responsible Official</b> SCM MANAGER , DB Mlondo CFO, NM Myeni</p> <p><b>Target Date</b> 31 January 2020</p>	<p><b>Responsible Official</b> SCM MANAGER , DB Mlondo CFO, NM Myeni</p> <p><b>Target Date</b> 31 January 2020</p>		
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	<p>methods to be used to prove tax compliance as the SARS no longer issues Tax Clearance Certificates but has made provision online, via e-Filing, for bidders to print their own Tax Clearance Certificates which they can submit with their bids or price quotations.</p> <p>In terms of MFMA circular 90 Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.</p> <p>The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.</p> <p>As per the guidance on SARS, the (Tax Compliance Status) TCS PIN can be used instead of / in the place of a TCC by authorized third parties to verify your compliance status online via SARS</p> <p>Furthermore, suppliers were not requested to provide written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations within 7 working days.</p> <p>This results in material non-compliance and should be disclosed as irregular expenditure in the AFS.</p>				
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<p><b>5. Payments not made within 30 days</b></p>	<p>Section 65 (2) (e) of the Municipal Finance Management Act No. 56 of 2003, states inter-alia that, the accounting officer must for the purpose of subsection (1 ) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. During the audit of expenditure, it was noted that the invoices were not paid within 30 days from the date they were received as required by the above legislation.</p> <p>The above non-compliance may result in interest and penalties being charged which constitutes fruitless and wasteful expenditure.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The municipality will adequately monitor invoice register and will implement a weekly follow-up to ensure that payments are processed on time. The municipality will also implement a monthly report detailing reason why payments are not made on time and submit to the CFO's office for review</p> <p><b><u>Responsible Official</u></b></p> <p><b>MEFR: A Shandu CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 January 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Invoice register is used as a control measure to prevent and monitor payments not made within 30 days, the accountant expenditure submits the expenditure report detailing payment turnaround time to CFO on a monthly basis.</p> <p><b><u>Responsible Official</u></b></p> <p><b>MEFR: A Shandu CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 January 2020</p>		
<p><b>6. Deviations</b></p>	<p>Municipal Supply Chain Management Regulation 36 reads: (1) A supply chain management policy may allow the accounting officer-</p> <p>a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Deviations to be checked in terms of the reasons cited in the form. We ensure that it meets the requirements of transactions made through deviations in terms of the legislation.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Deviations are checked as they are received to determine the validity of reasons cited.</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager : D Mlondo CFO : N Myeni</b></p>		

	<p>(i) in an emergency;</p> <p>(ii) if such goods or services are produced or available from a single provider only;</p> <p>(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;</p> <p>(iv) acquisition of animals for zoos; or</p> <p>(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and</p> <p>(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.</p> <p>(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (l)(a) and (b) and report them to the next meeting of the council, and include as a note to the annual financial statements.</p> <p>National treasury instruction SCM instruction note 3 of 2016/17 paragraph 8.2 reads:</p> <p>"An emergency procurement may occur when there is a serious and unexpected situation that poses an immediate risk to health, life, property or environment which calls an agency to action and there is insufficient time to invite competitive bids"</p> <p>a) The following deviations do not meet the</p>	<p><b>Responsible Official</b> SCM Manager : D Mlondo CFO : N Myeni</p> <p><b>Target Date:</b> 31 January 2020</p>	<p><b>Target Date:</b> 31 January 2020</p>		
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requirements for an emergency procurement; the municipality did not sufficiently demonstrate how the deviations pose an immediate risk to health, life, property or environment. In addition, an emergency procurement may not be as a result of poor planning.

Supplier's Name	Description	Amount	Reason for deviation
Chicomán Trading	Grass cutting in voting stations	93 897, 89	An emergency – major backlog for grass cutting urgent attention to

					cut all 23 war ds and gras s cutti ng at Mth onja neni voti ng stati on					
7. Indigent discrepancies identified	Section 64 of the MFMA requires that the accounting officer of a municipality is responsible for the management of the revenue of the municipality. The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality credit control and debt collection policy including having and maintaining a management, accounting and information system which  (i) recognizes revenue when it is earned;  (ii) accounts for debtors; and					<u>ACTION TO BE TAKEN</u> We will analyse the indigent database to identify the discrepancies. Corrections to be made on discrepancies identified.  <u>Responsible Official</u> MR : N Nhleko CFO : N Myeni	<u>ACTION TO BE TAKEN</u> Service providers are being sourced for this service, We are in a process of procuring data cleansing services in order to vet indigent applicants before there are approved.  <u>Responsible Official</u> MR : N Nhleko CFO : N Myeni			



	<p>(iii) accounts for receipts of revenue;</p> <p>and that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;</p> <p>The municipality received equitable share allocation of R76,67 million. Part of the equitable share is used to fund free basic services that are meant for the poor.</p> <p>Due to the possible invalid indigent status of debtors above, there is a possible material understatement of revenue and understatement of receivables to the municipality due to the invalid rebates granted to consumers. The municipality should determine the total of the rebates applied to invalid indigents and ensure that the appropriate remedy is instituted to recover lost monies.</p> <p>Accordingly, the annual financial statements need to be considered for adjustment for the correct revenue and receivable to be raised.</p>	<p><b><u>Target Date:</u></b> <b>31 March 2019</b></p>	<p><b><u>Target Date:</u></b> <b>31 March 2019</b></p>		
<p><b>8. Splitting of procurement of goods</b></p>	<p>Municipal Supply Chain Management Regulation 12(3)(a) reads: (1) A supply chain management policy must state —</p> <p>"that goods or services may not be deliberately split into parts or items of a lesser value to avoid complying with the requirement of the policy"</p> <p>The quotations appear to be split in order to avoid procurement through competitive bidding and the following factors were considered in assessing the splitting</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Requisitions will be checked thoroughly to determine if they aren't splitting the goods/ services to meet certain procurement range</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager: D</b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Requisitions are checked on submission from the departments to avoid splitting of orders.</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager: D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> <b>31 January 2020</b></p>		

	<p>of the procurement of goods</p> <p>(a)The nature of items procured is similar or can be expected to be sourced from the same supplier</p> <p>(b)The value of the quotes is combined is above R 200 000 therefore would have forced procurement through competitive bidding</p> <p>(c)The timing of procurement of goods and the invitation for bid</p>	<p><b>Mlondo</b> <b>CFO : N Myeni</b></p> <p><b>Target Date:</b> 31 January 2020</p>																																										
	<table><tr><th>Quote #</th><th>Supplier</th><th>Goods</th><th>Advert Date</th><th>Price</th></tr><tr><td>M0034</td><td>DSM Electrical</td><td>Poles – HV Lines</td><td>21/01/19</td><td>138 592</td></tr><tr><td>M0035</td><td>DSM Electrical</td><td>Poles – HV Lines</td><td>21/01/19</td><td>184 612</td></tr><tr><td><b>Total</b></td><td></td><td></td><td></td><td><b><u>323 205</u></b></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>M0030</td><td>Laduma Sports</td><td>Tracksuits for Salga games</td><td>10/09/18</td><td>199 755</td></tr><tr><td>M0031</td><td>Thingo Projects</td><td>Councillor attire for Salga games</td><td>10/09/18</td><td>198 000</td></tr><tr><td>M0032</td><td>Thingo Projects</td><td>T-Shirt for Salga</td><td>10/09/18</td><td>198 013</td></tr></table>	Quote #	Supplier	Goods	Advert Date	Price	M0034	DSM Electrical	Poles – HV Lines	21/01/19	138 592	M0035	DSM Electrical	Poles – HV Lines	21/01/19	184 612	<b>Total</b>				<b><u>323 205</u></b>						M0030	Laduma Sports	Tracksuits for Salga games	10/09/18	199 755	M0031	Thingo Projects	Councillor attire for Salga games	10/09/18	198 000	M0032	Thingo Projects	T-Shirt for Salga	10/09/18	198 013			
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M0032	Thingo Projects	T-Shirt for Salga	10/09/18	198 013																																								

			games		<b>595 769</b>				
	<b>Total</b>								
	M0036	Bay General Suppliers	Electrical Stock	26/10/19	131 836				
	M0037	Bay General Suppliers	LV Cable	26/10/19	105 340				
		<b>Total</b>			<b>237 176</b>				
<b>9. Disaster Recovery Plan not tested</b>	<p>A Disaster Recovery Plan (DRP) was in place; however, it had not been tested by the municipality to assess its effectiveness in recovering critical IT resources in the event of a disaster.</p> <p>Furthermore, the DRP requires updating as the server rooms have been merged into a single room and the DRP needs to be reflective of that.</p> <p>Without testing the DRP, the municipality may not be aware of any shortcomings in the plan and will not be able to assess its effectiveness in an objective and quantifiable manner. If the DRP is not reflective of the current IT environment at the municipality it may not be an adequate reference to effectively to restore IT systems. The risk has however not materialized during the 2018-19 as there were no disruptions during the year that required the DRP to be invoked.</p> <p>This is a repeat finding from the prior years.</p>					<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Testing of Disaster Recovery plan with be actioned by reviewing Disaster Recovery Plan and testing of the recovery system on quarterly basis</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS: ZS Mthethwa</b></p> <p><b><u>Target Date:</u></b></p> <p><b><u>30/06/2020</u></b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>IA noted that there is no progress at this stage.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS: ZS Mthethwa</b></p> <p><b><u>Target Date:</u></b></p> <p><b><u>30/06/2020</u></b></p>		
<b>10. Network diagram not</b>	A network diagram that reflects the current IT infrastructure of the municipality had not been					<p><b><u>ACTION TO BE TAKEN</u></b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p>		

documented	<p>documented.</p> <p>In the absence of a complete, accurate and approved network diagram the municipality may not be able to effectively manage and assess the overall security of its network infrastructure.</p> <p>The municipality is busy upgrading and making changes to its network and only once this process is finalised can the network diagram be documented.</p> <p>This is a repeat finding from the prior years.</p>	<p>IT Infrastructure will be documented by not later than 30 /06/2020</p> <p>DCCS: ZS Mthethwa</p> <p>Target Date:</p> <p>30/06/2020</p>	<p>IA noted that there is no progress at this stage.</p> <p>Responsible Official</p> <p>DCCS: ZS Mthethwa</p> <p>Target Date:</p> <p>30/06/2020</p>								
11. Impairment of an item of Property, Plant and Equipment	<p>In terms of section 122(1) (a) MFMA, every municipality must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.</p> <p>In terms of GRAP21.20 - 23(c) an entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, an entity shall consider if evidence is available of obsolescence or physical damage of an asset.</p> <p>Our physical verification of a Community Asset at Ndundulu Sports field it was not that the following assets were not impaired:</p> <table><tr><th>Asset Code</th><th>Description</th><th>Carrying Amount</th></tr><tr><td></td><td></td><td></td></tr></table>	Asset Code	Description	Carrying Amount				<p>ACTION TO BE TAKEN</p> <p>During verification of assets it was discovered that the assets will need to be repaired therefore there was no further need to do assessment. Repairs will be performed as planned during 2019/20 financial year.</p> <p>Responsible Official</p> <p>Revenue Manager: N Nhleko</p>	<p>ACTION TO BE TAKEN</p> <p>Repairs will be done before the end of this financial year.</p> <p>Responsible Official</p> <p>Revenue Manager: N Nhleko</p> <p>CFO : N Myeni</p> <p>DTS : SF Mchunu</p> <p>Target Date:</p> <p>30 June 2020</p>		
Asset Code	Description	Carrying Amount									

	MTH00078	NDUNDULU SPORTFIELD- CHANGE ROOMS	95 073.29	CFO : N Myeni DTS : SF Mchunu			
	MTH00095	NDUNDULU SPORTFIELD- WIRE FENCE	312 287.62	<b>Target Date:</b> 30 June 2020			
	MTH00096	NDUNDULU SPORTFIELD- GATE	5 529				
	<b>TOTAL</b>		<b>412 889.91</b>				
	The following damage is done on the above-mentioned assets:  1. Change room ceiling is torn  2. Change room windows broken  3. Change room doors had been removed  4. Change room gates broken  5. Sports-field fence cut  6. Sports-field gate cut  It was further noted that there was no impairment loss for these asset from prior years up to current year.  As a result, property plant and equipment is misstated.						



<b>12. No labelling of Gravel Access Roads</b>	In terms of section 63(1) • (2) (c) MFMA, the accounting officer of a municipality is responsible for the management of assets and therefore must for the purposes of subsection (h ) take all reasonable steps to ensure that the municipality has and maintains a system of internal control of assets.	<b><u>ACTION TO BE TAKEN</u></b>  This will be done in house by technical team, the material will be bought using maintenance vote.  <b><u>Responsible Official</u></b> DTS: SF Mchunu  <b><u>Target Date:</u></b>  30 June 2020	<b><u>ACTION TO BE TAKEN</u></b>  Service Provider from B.I Infrastructure Consultants has been appointed for maintenance plan and policy development and this covers labelling of gravel access roads on the scope of works, Draft maintenance Plan and Policy will be submitted on Thursday the 20 <sup>th</sup> of February by consultants to DTS , procuring and installation of signs will be done in-house before June 2020 after adoption of Maintenance plan and policy by Council.  <b><u>Responsible Official</u></b> DTS: SF Mchunu  <b><u>Target Date:</u></b>  30 June 2020																													
	During physical verification of road infrastructure there were no signs to clearly identify the name of the road:																															
	<table><tr><th>Road Name</th><th>Road Surface</th><th>Area</th></tr><tr><td>Ngqekwane Access road</td><td>Gravel</td><td>Ngqekwane</td></tr><tr><td>Upgrading of rural road ward 7(1)</td><td>Gravel</td><td>Makhasaneni</td></tr><tr><td>Khanyile access road</td><td>Gravel</td><td>Khanyile</td></tr><tr><td>Hawai access road 1</td><td>Gravel</td><td>Hawai</td></tr><tr><td>Hawai access road 1</td><td>Gravel</td><td>Hawai</td></tr><tr><td>Mazulu access road</td><td>Gravel</td><td>Mazulu</td></tr><tr><td>Mkantshana access road 2</td><td>Gravel</td><td>Mkantshana</td></tr><tr><td>Upgrading of rural road 7(2)</td><td>Gravel</td><td>Makhasaneni</td></tr></table>					Road Name	Road Surface	Area	Ngqekwane Access road	Gravel	Ngqekwane	Upgrading of rural road ward 7(1)	Gravel	Makhasaneni	Khanyile access road	Gravel	Khanyile	Hawai access road 1	Gravel	Hawai	Hawai access road 1	Gravel	Hawai	Mazulu access road	Gravel	Mazulu	Mkantshana access road 2	Gravel	Mkantshana	Upgrading of rural road 7(2)	Gravel	Makhasaneni
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	Bovini access road	Gravel	Bovini				
	Thengela access road	Gravel	Thengela				
	Ngakwini access road	Gravel	Nqakavini				
	Sigubudu access road	Gravel	Sigubudu				
<b>13. Property, plant and equipment — assets under-insured</b>	<p>In terms of Section 62 of the Municipal Finance Management Act, Act 56 of 2003, the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take reasonable steps to ensure:</p> <ul style="list-style-type: none"> <li>(a) that the resources of the municipality are used effectively, efficient and economically.</li> <li>(b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.</li> <li>(c) that the municipality has and maintains effective, efficient and transparent systems</li> </ul> <p>In terms of section 63(a) of the Municipal Finance Management Act, Act 56 of 2003, the accounting officer of a municipality is responsible for the management of the asset of the municipality, including the safeguarding and the maintenance of those assets.</p> <p>As per the table below it is observed that the assets of the municipality are under-insured by R35, 908 million. This</p>			<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>We will review the municipal insurance policy for assets especially for other assets and make necessary adjustments.</p> <p><b><u>Responsible Official</u></b> MR : N. Nhleko CFO : N Myeni</p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The Asset policy is being reviewed and will be tabled to council for approval by 31 March 2020</p> <p><b><u>Responsible Official</u></b> MR : N. Nhleko CFO : N Myeni</p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		

	<p>places the municipality at a risk should a disaster occur and assets may not be adequately replaced.</p> <table><tr><th>Category of assets</th><th>Book value as at June 19</th><th>Insured value as per contract</th><th>Difference</th></tr><tr><td>Machinery &amp; Equipment</td><td>3 023 981</td><td>1 100 000</td><td>1 923 981</td></tr><tr><td>Furniture &amp; office equipment</td><td>806 409</td><td>1 727 000</td><td>-920 591</td></tr><tr><td>Transport assets</td><td>5 674 897</td><td>1 000 000</td><td>4 674 897</td></tr><tr><td>Computer Equipment</td><td>388 088</td><td>1 643 087</td><td>-1 254 999</td></tr><tr><td>Community Asset</td><td>79 882 200</td><td>68 772469</td><td>11 109 731</td></tr><tr><td>Other Asset</td><td>20 969 575</td><td>593 771</td><td>20 375 804</td></tr><tr><td colspan="3">Total</td><td>35 908 823</td></tr></table>	Category of assets	Book value as at June 19	Insured value as per contract	Difference	Machinery & Equipment	3 023 981	1 100 000	1 923 981	Furniture & office equipment	806 409	1 727 000	-920 591	Transport assets	5 674 897	1 000 000	4 674 897	Computer Equipment	388 088	1 643 087	-1 254 999	Community Asset	79 882 200	68 772469	11 109 731	Other Asset	20 969 575	593 771	20 375 804	Total			35 908 823				
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Other Asset	20 969 575	593 771	20 375 804																																		
Total			35 908 823																																		
14. Procurement and contract management — awards to persons in service of state	<p>In terms of MFMA SCM reg. 13(c)(1) -</p> <p>A supply chain management policy must state that the municipality may not consider a written quotation or bid unless the provider who submitted the quotation or bid — (c )has indicated —</p> <p>(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;</p> <p>(ii) .if the provider is not a natural person, whether any of its directors, managers,</p>	<p><u>ACTION TO BE TAKEN</u></p> <p>The cases indicated will be investigated. A declaration of interest and CSD report will be part of the documents consumed before a purchase order is issued.</p> <p><u>Responsible Official</u></p>	<p><u>ACTION TO BE TAKEN</u></p> <p>The cases below were resolved:</p> <p>1. Judy Magwaza Trading Enterprise</p> <p>2. Emphethweni Medical Centre, and</p> <p>3. PriceWaterhouse Coopers</p> <p>The other remaining cases are still investigated.</p>																																		

	<p>principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or</p> <p>(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.</p> <p>The results of our CAATS testing revealed the following exceptions:</p> <p>a) The following findings were found to have submitted false declarations as their members were found to be in employed in other state institutions:</p> <table><tr><td>CIPC_ENT_NAME</td></tr><tr><td>JUDY MAGWAZA TRADING ENTERPRISE</td></tr><tr><td>MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED</td></tr><tr><td>MPEMBE PRODUCTION</td></tr><tr><td>EMPHETHWENI MEDICAL CENTER</td></tr><tr><td>EMPHETHWENI MEDICAL CENTRE</td></tr><tr><td>EMINENT EVENTS</td></tr><tr><td>AKHONASIKHONA</td></tr><tr><td>SHINING STARS SPORTING AGENCY</td></tr><tr><td>SHINING STARS SPORTING AGENCY</td></tr><tr><td>FIRSTRAND BANK</td></tr></table>	CIPC_ENT_NAME	JUDY MAGWAZA TRADING ENTERPRISE	MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED	MPEMBE PRODUCTION	EMPHETHWENI MEDICAL CENTER	EMPHETHWENI MEDICAL CENTRE	EMINENT EVENTS	AKHONASIKHONA	SHINING STARS SPORTING AGENCY	SHINING STARS SPORTING AGENCY	FIRSTRAND BANK	<p>SCM Manager : D Mlondo CFO : N Myeni</p> <p>Target Date: 31 March 2020</p>	<p>However, CSD reports and Declarations are still used as a control measure.</p> <p>Responsible Official</p> <p>SCM Manager : D Mlondo CFO : N Myeni</p> <p>Target Date: 31 March 2020</p>		
CIPC_ENT_NAME																
JUDY MAGWAZA TRADING ENTERPRISE																
MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED																
MPEMBE PRODUCTION																
EMPHETHWENI MEDICAL CENTER																
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EMINENT EVENTS																
AKHONASIKHONA																
SHINING STARS SPORTING AGENCY																
SHINING STARS SPORTING AGENCY																
FIRSTRAND BANK																

	FIRSTRAND BANK	MARY	VILAKAZI		
	CONLOG	JUDY VALERIE	NWOKEDI		
	MOBILE TELEPHONE NETWORKS	THOBEKA PATIENCE	SISHUBA		
	PRICEWATERHOUSECOOPERS	PHILANI JETRO	MAPHANGA		
<b>15. Lack of formal policy for the management of road infrastructure</b>	<p>The Municipal Systems Act, Act 32 of 2000, section 11 (3) (a) states that "A municipality exercises its legislative or executive authority by—</p> <p>Developing and adopting policies, plans, strategies and programmes, including setting targets for delivery.</p> <p>During the audit of road infrastructure at the Mthonjaneni Municipality it was noted that the municipality did not have an approved policy on roads clearly indicating the following:</p> <ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Proactive and routine maintenance planning</li> <li>• Funding of new road infrastructure and maintenance of existing road infrastructure</li> <li>• Management information system</li> <li>• Addressing backlogs</li> </ul> <p>The absence of an approved Roles and responsibilities of the staff members and procedures to manage road infrastructure, could result in the following:</p> <ul style="list-style-type: none"> <li>• Staff not aware of their roles and responsibilities</li> <li>• Each division unaware of their roles and functions</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The municipality has appointed B.I Infrastructure to develop road maintenance plan and policy. The service provider will complete to develop the maintenance plan and policy in the fourth quarter.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers management of road infrastructure- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		



	<ul style="list-style-type: none"> <li>Road infrastructure backlogs not being addressed</li> </ul> <p>This matter was raised in the three preceding financial years and management committed in each action plan for the 2105-16, 2016-17 and 2017-18 financial years to develop and implement a policy. The action plan to address prior years' management report findings stated that a process is in progress to appoint a service provider to develop this policy. However, the process has not been finalised at time of this audit.</p>				
<b>16. No approved road maintenance strategy in place and maintenance plan lacks critical information</b>	<p>The Local Government Capital Asset Management Guideline states:</p> <p>"Once the asset policy has been formulated, operation and maintenance plans should be developed to give effect to the policy.</p> <p>Operation and maintenance plans define the approaches to be used, and what needs to be done, to optimise performance and asset life. The objective of operation and maintenance plans is to ensure that:</p> <ul style="list-style-type: none"> <li>Assets remain appropriate to programme requirements.</li> <li>Assets are efficiently utilised;</li> <li>And assets are maintained in the condition necessary to support programme delivery at the lowest possible long-term cost".</li> </ul> <p>It was noted that the municipality did not have an approved maintenance strategy. A maintenance strategy is a comprehensive plan that:</p> <ul style="list-style-type: none"> <li>defines the asset, the performance required of it,</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The maintenance plan and policy which the service provider is developing will contain the maintenance strategy and will cover all wards which are within Mthonjaneni municipality</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers maintenance of road infrastructure- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		

	<p>and the level to which it is to be maintained;</p> <ul style="list-style-type: none"> <li>• identifies the risks associated with the chosen strategy in terms of service delivery in the event of asset failure;</li> <li>• describes the systems (not specifically IT) and procedures to be used to plan and manage the maintenance work;</li> <li>• specifies the types of maintenance to be carried out (i.e. in-house or outsourced), and why;</li> <li>• nominates the means of resourcing and implementing maintenance;</li> <li>• indicates any requirements for in-house spare parts and any specialist equipment needed to maintain certain assets; and</li> <li>• outlines the projected costs of routine (and corrective/preventive) maintenance and forecasts major replacements for the next 5—10 years, depending on the type of asset</li> </ul> <p>The maintenance plan provided by the municipality is outdate as it does not include the wards inherited through the merger of the former Ntambanana Municipality. A comprehensive maintenance plan should at least include critical aspects, as per the abovementioned guidelines, which are necessary for the efficient management of the assets. In terms of the above mentioned guideline, maintenance plan should include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• definition of maintenance standards;</li> </ul>				
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	<ul style="list-style-type: none"> <li>• allowance for the rectification of existing defects;</li> <li>• description of the work to be carried out; and</li> <li>• forecast of the necessary maintenance, major repairs and preventative maintenance expenditure for the planning period.</li> <li>• the entire road network and the condition of the road network including the visual condition index (VCI)</li> </ul> <p>Consequently, the lack of a comprehensive strategy and plan impacts negatively on the efficient management of the asset and its continued value in providing effective and quality service delivery. It will further impair proper decision making on the deterioration of the road infrastructure (ie. Priority listing which includes renewals, rehabilitation, potholes, cracks etc.) cannot be made. Furthermore, a lack of an approved maintenance plan can affect accurate budgeting and sound decision making.</p>				
<b>17. Road Asset Management System</b>	<p>Paragraph 4.2.1 of the road infrastructure strategic framework of South Africa (RISFSA) defines a road asset management system (RAMS) as follows:</p> <p>"it is a structured procedure, to facilitate coordination and project management of all road networks aimed at ensuring the desired service delivery. RAMS comprises of various systems such as:</p> <ul style="list-style-type: none"> <li>• Construction management system</li> <li>• Pavement management system Maintenance management system</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The maintenance plan and policy which the service provider is developing will contain Road asset management system</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b></p> <p>30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers road asset management system- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020. Further more-King Cetshwayo District Municipality is busy collecting data for conditions of municipal</p>		

	<ul style="list-style-type: none"> <li>Bridge management system</li> </ul> <p>Road network information is a basic requirement for planning and budgeting purposes. If accurate information is kept it will ensure that the priorities outlined in the IDP are met and aligned with the community's needs.</p> <p>This finding has been reported in the previous year audit. Management indicated in the audit action plan that a consultant will be appointed from a panel of service providers from MIG Projects. Since these consultants provide professional engineering skills in procuring and implementation of the municipal road infrastructure maintenance/ policies. However, during the current audit, this process has not been completed.</p> <p>Consequently, management is not in a position to make informed decisions to manage its road network and to adequately plan for necessary intervention. Failure to appropriately manage road network would lead to unsustainable increase in costs which according to RISFSA is estimated between 6 to 18 times more.</p>		<p>roads and road network system and this information will be submitted to us by the district before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		
<b>18. The requirements of SIPDM into the SCM policy were not approved and implemented</b>	<p>In November 2015 National Treasury issue the Standard for Infrastructure Procurement and Delivery Management (SIPDM) in order to improve project outcomes. The effective implementation date by organs of state subject to MFMA was 1 July 2016. The full implementation of the SIPDM, which is expected to deliver better value for money within an auditable system, requires that a number of actions be undertaken, and one of the actions is to establish a suitable SCM policy for Infrastructure Procurement and Delivery Management.</p> <p>This policy should be approved by the head of Department and incorporate the following:</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The policy has been developed and approved by Council during 2019/20 financial year and it will be implemented accordingly</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM : BD Mlondo</b> <b>CFO : NM Myeni</b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The policy has been developed and approved by Council during 2019/20 financial year and it will be implemented accordingly</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM : BD Mlondo</b> <b>CFO : NM Myeni</b></p> <p><b><u>Target Date:</u></b> 31 March 2020</p>		

	<ul style="list-style-type: none"> <li>• assign responsibilities for approving or accepting deliverables associated with a gate in the control framework or authorising a procurement process or procedure;</li> <li>• establish committees which are required by law, or equivalent quality management and governance arrangements;</li> <li>• establish delegations for the awarding of a contract or the issuing of an order; and</li> <li>• establish ethical standards for those involved in the procurement and delivery of infrastructure.</li> </ul> <p>According to the instruction by National Treasury the SCM policy should have been completed by 1 April 2017 but this has not been done to date.</p> <p>The SIPDM provides a control framework for the planning, design and execution of infrastructure projects which are required to provide better quality of life for the citizen of the country. Therefore, any delay in implementing the requirements of the SIPDM will affect the timely delivery of all infrastructure projects prolonging better service delivery and value for money.</p> <p>This finding was raised in the previous years' audit. However, the approval and implementation of this policy did not take effect during this financial year.</p>	<p><b>Target Date:</b> 31 March 2020</p>			
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<p><b>19. Road infrastructure</b></p>	<p><b>Road Infrastructure- Background</b></p> <p>During the roads infrastructure audit of the Mthonjaneni Municipality, a site inspection was conducted on the 17th of October 2019 for the under-mentioned projects in order to determine whether the construction and rehabilitated roads have successfully achieved the deliverables as per the scope of work, timelines set, budgeted cost and the quality requirements. In order to assess if each project meets the expected quality requirements; the completeness of the project was measured against whether the recorded width measurements match what's on the ground etc.</p> <p><b>Finding A- Delay in Construction of Manzawayo Gravel Road</b></p> <p>The construction of the Manzawayo gravel road commenced on the 22 October 2018. The project was originally scheduled to be completed by 22 May 2019. An extension of time(EOT) of 121 days was approved as the municipality waited for the Municipal Infrastructure Grant (MIG) allocation, since there were no funds available to pay the contractor. This resulted in a revision of the contract completion date to 20 September 2019,</p> <p>During the site visit, it was observed that the project is still in progress. No further EOT's were approved to allow the project to continue after the 20th September 2019. This has resulted in a project delay.</p> <p><b>Finding B- Construction of Urban Roads Upgrade and Rehabilitation of Phase 5</b></p> <p>1. The construction of the project commenced on the 13 July 2018. The project was originally scheduled to be completed by 31 May 2019.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p><b><i>Action to be taken on construction of Manzawayo</i></b></p> <p>The project is still under construction and due for completion as the contractor is busy with finishes but the contractor is on penalties as there will be no further extension of time granted due to technical reasons (guided by general conditions of contracts) to this contractor.</p> <p><b><i>Action to be taken on construction of Urban Roads Upgrade and Rehabilitation of Phase 5</i></b></p> <p>This project was further extended to 29 October 2019 but there will be no further extension due to technical reasons (guided by general conditions of contracts) and the</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p><b><i>Road Infrastructure- Manzawayo:</i></b></p> <p>The Consultants from BI Infrastructure have been advised to take actions regarding the progress of this project and the response is expected no later than Thursday the 20<sup>th</sup> February 2020.</p> <p><b><i>Urban Roads Upgrade and Rehabilitation of Phase 5</i></b></p> <p>The Consultants from BI Infrastructure have been advised to take actions regarding the progress of this project and the response is expected no later than Thursday the 20th February 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b></p> <p><b>30 June 2020</b></p>		
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	<p>An extension of time (EOT) of 120 days was approved as the municipality waited for the Municipal Infrastructure Grant (MIG) allocation, since there were no funds available to pay the contractor and extra work described by the contractor in their submission. This resulted in a revision of the contract completion date to 30 September 2019</p>	<p>contractor is currently on penalties. The blacktop surfacing on the road is completed on all roads and the contractor is busy with finishes</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b></p> <p><b>30 June 2020</b></p>			
<b>20. Material Impairments</b>	<p>As disclosed in notes 10 to the financial statements ,receivable from no-exchange transactions were impaired by R74,58 million ( 2018 : R 72,79 million ) as a results of the annual review of the recoverable od debts</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>This is due to traffic fines issued. Recoverability is very low. The municipality makes provision of 80% for impairment as a result.</p> <p>The municipality will continue to implement means such as road blocks and settlement discounts to encourage payment of traffic fines.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The municipality is in the process to appoint service provider who will assist with traffic management system which will include traffic fines collection and therefore increase a recoverability of traffic fines issued.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS : ZS Mthethwa</b> <b>CFO: NM Myeni</b></p> <p><b><u>Target Date:</u></b></p> <p><b>31 March 2020</b></p>		

		<u>Responsible Official</u>  <b>DCCS : ZS Mthethwa</b> <b>CFO: NM Myeni</b>  <u>Target Date:</u> 31 March 2020			
<b>21. Material Losses – electricity</b>	As disclosed in note 48 to the financial statement, the municipality incurred material electricity losses of 1 631 275 kilowatts (2017-18 2 240 730 kilowatts) which resulted in revenue loss of R2, 03 million (2017-18 R2, 97 million). The losses were mainly attributed to aging electrical infrastructure and illegal electricity connections	<u>ACTION TO BE TAKEN</u> The municipality will conduct meter audit to minimise electricity losses due to illegal connections. Will ensure ongoing maintenance of electricity infrastructure and enforce credit policy by instituting disconnections on customers with arrear accounts. The municipality is in a process of converting all domestic metres from conventional to prepaid metres.  <u>Responsible Official</u> <b>CFO : N Myeni</b> <b>DTS : SF Mchunu</b>	<u>ACTION TO BE TAKEN</u> In progress, monthly electricity losses meetings are being held. Electricity losses are being reported on and monitored monthly.  <u>Responsible Official</u> <b>CFO : N Myeni</b> <b>DTS : SF Mchunu</b>  <u>Target Date:</u> 31 March 2020		

		<b><u>Target Date:</u></b> 31 March 2020			
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## **MTHONJANENI MUNICIPALITY**

### **OVERSIGHT REPORT ON 2018/2019 ANNUAL REPORT 21 Reihold street Melmoth**

#### **1. INTRODUCTION**

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council in regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role will be to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

#### **2. BACKGROUND**

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive Committee and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive Committee. In other words, in exchange for the powers in which Council have delegated to the Executive Committee, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non- performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight:

- ❖ Approval of budgets;
- ❖ Approval of Budget related policies; and
- ❖ Review of the Annual Report and adoption of the Oversight Report.

### **3. FUNCTIONS OF THE OVERSIGHT COMMITTEE**

The functions of the Oversight Committee are to:

- ❖ Undertake a review and analysis of the Annual Report.
- ❖ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- ❖ Consider written comments received on the Annual Report from the public consultation process.
- ❖ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- ❖ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- ❖ Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee -and Councillors.

## **4. COMPOSITION OF OVERSIGHT COMMITTEE**

### **4.1 Membership**

The Oversight Committee is a committee of Council established under Section 79 of the Municipal Structures Act, 1998. Section 79, allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the Oversight Committee.

Oversight Committee is composed of the Municipal Public Accounts Portfolio Committee (MPAC):

- ❖ Cllr M.S. Zulu (Chairperson)
- ❖ Cllr S.P. Buthelezi
- ❖ Cllr N.N. Nzuzo
- ❖ Cllr N.P. Shobede
- ❖ Cllr Z.A. Sibiyi
- ❖ Cllr T.F. Zincume
- ❖ Mr K N Ngubane ( Audit Committee Chairperson)
- ❖ Mr P.P Sibiyi ( Municipal Manager )



## 4.2 Authority & Power

The Oversight Committee is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

Timely notice of all meetings should be given and all meetings held by the Oversight Committee must be open to the public and minutes of the meetings must be submitted to Council meetings.

## 4.3 Meeting Schedule

The 2018/2019 Draft Annual Report submitted to Council at its meeting on 24 January 2020, was referred to the Oversight Committee subject to a few minor enhancements to the Report as per the Executive Committee's recommendation. The community was advised through the Municipal website of the Council meeting held on 24 January 2019 where the Draft Annual Report for 2018/2019 financial year was tabled and also of the availability of the Annual Report and were invited to submit representations on the Report.

There were no members of the community who attended this Council meeting.

The Draft Annual Report was available at the municipal library and all municipal offices and was also submitted to the Auditor-General, Provincial Treasury and the Department of Cooperative Government and Traditional Affairs.

## 5. OVERSIGHT REPORT OF THE MPAC (MUNICIPAL PUBLIC ACCOUNTS COMMITTEE) ON THE ANNUAL REPORT OF MTHONJANENI MUNICIPALITY FOR THE FINANCIAL YEAR 1 JULY 2018 TO 30 JUNE 2019

### INTRODUCTION

The Annual Report is submitted to Council by the Accounting Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals and objectives set by the municipality for the financial year. The Oversight Report is considered to be a report of the Municipal Council reflecting on the Annual Report.

Council is responsible to oversee the performance of the municipality as required by the Constitution, the Municipal Finance Management Act, Act No 56 of 2003 (MFMA), and the Municipal Systems Act. The oversight responsibility of council is particularly important for the process of considering annual reports. In terms of Section 129 (1) of the MFMA, the Council of a municipality must consider the annual report of the municipality and adopt an oversight report containing the council's comments on the annual report.

### BACKGROUND

The Draft 2018/2019 Annual Report was tabled to Council on 24 January 2020, reporting on the Municipality's performance for the period 1 July 2018 until 30 June 2019. By doing so, Council complied with Section 133 of the MFMA that stipulates that the Mayor must table the draft Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2020. Council is legally compelled to engage with and finalize the Annual Report within 9 months after the end of the financial year, which is before 31 March 2020.

Tabling the draft Annual Report signifies the start of the public participation period stipulated in Section 127(5) of the MFMA and Section 21 of the Systems Act. Public comments on the 2018/2019 Annual Report were awaited from the public from 28 January 2020 to 29 February 2020.

The draft Annual Report was placed on Council's website and made available at municipal offices and library at 21 Reinhold Street, Melmoth. Annual Reports were also submitted to the offices of the Auditor-General, Provincial Treasury and the MEC for Local Government.

No public input was received. The draft Annual Report was tabled to the MPAC that acts as Council's Oversight Committee to prepare an Oversight Report on the Annual Report for 2018/2019.

The minutes of the meeting of the MPAC is attached as Annexure B.

The MPAC appointed in terms of sections 33 and 79 of the Municipal Structures Act, 1998 to prepare an Oversight Report to Council before 24 March consists of:

- ❖ Cllr M.S. Zulu (Chairperson)
- ❖ Cllr S.P. Buthelezi
- ❖ Cllr N.N. Nzuzi
- ❖ Cllr N.P. Shobede
- ❖ Cllr Z.A. Sibiya
- ❖ Cllr T.F. Zincume
- ❖ Mr K N Ngubane ( Audit Committee Chairperson)
- ❖ Mr P.P Sibiya ( Municipal Manager )

The MPAC has pleasure in submitting this Oversight Report to Council for approval.

### **1. IDP PROCESS**

The IDP reflects the strategic direction and goals set by Council, and the MPAC is satisfied that the IDP process conformed to statutory requirements with regards to broad-based public participation and consultation through inter alia ward committees, workshops and imbizo's.

### **2. BUDGETARY PROCESS**

The MPAC is satisfied that the budgetary process, based on and informed by the IDP, conformed to statutory requirements with regards to broad-based public participation and consultation through, amongst others, ward committees, workshops and imbizo's.

### **3. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PROCESS**

The MPAC is satisfied that a Service Delivery and Budget Implementation Plan (SDBIP), that is the service delivery targets linked to performance contracts for senior management and staff below them, was duly approved by the Executive Mayor.

### **4. ANNUAL REPORT 2018/2019**

Observations and recommendations:

The MPAC committee made the following observations and recommendations in respect of the Annual Report for the reporting year 1 July 2018 to 30 June 2019:

(i) The Municipality's maintenance budget is still well below the accepted industry norm of **8%**, impacting negatively on the performance, lifespan and effective maintenance of the municipality's assets. It should however be remembered that staff cost is not reflected under maintenance and should this be included in MSCOA, the picture may improve. Council did allocate a greater monetary allocation towards the maintenance budget in the current financial year and this should be continued to ensure that preventative maintenance can be done.

Excellent asset management enabled Council to curb their electricity loss up to 9%. The Municipality should focus on pro-active maintenance that will extend their assets' lifecycle.

(ii) Council's asset management improved by drafting and maintaining an asset register, while preparations were made to ensure the alienation of unused assets.

(iii) Debt collection remains a major challenge, even more so in the Eskom service delivery areas, where there is no formal agreement in place to allow for curbing electricity purchases as a means of collecting outstanding debt. Council should continue their debt collection initiatives and SALGA should be encouraged to put pressure on the relevant National and Provincial Authorities to speed up the conclusion of a service level agreement with Eskom that would allow municipalities to effectively act on outstanding debt. Outstanding debt in Eskom service delivery areas impacts negatively on the financial sustainability of municipalities such as Mthonjaneni and seeking a solution should be prioritized. That being said the Municipality was able to have a considerable increase in the debtor's balance over a 90 days period

(iv) With the assistance of inter-governmental role players, a long term financial plan for Mthonjaneni Municipality was developed, taking into consideration accurate levies for services, debt collection and controlling mechanisms such as prepaid metering for electricity. This resulted in the first steps being taken to implement corrective tariffs in respect of the sewerage services during the 2018/19 financial year. It is imperative that the Municipality increase its own revenue to meet the objective of sustainability and to become less dependent on third party funding such as grants. The municipality is currently in a favourable financial position.

(v) The Municipality should seek to find a balance between building up a healthy financial reserve against the need for improved service delivery and addressing the existing backlogs within our communities that cannot be addressed through external funding options.

(vi) Mthonjaneni municipality has increased its capital budget to spend from R39 683 million to R 49 423 million in order to address backlog of electricity in some other wards that are within the jurisdiction of Mthonjaneni local municipality and also to address the under budgeting in the admin building project.

(vii) The capital programs of Mthonjaneni municipality is funded from National and Provincial grants and subsidies and from accumulated cash backed reserves that are not committed for any other purposes.

(viii) Though a number of temporary jobs were created under the Expanded Public Works Programme the Municipality can further stimulate their local economy and enhance capital spending by appointing local contractors do undertake certain maintenance or construction projects. This should be investigated by management.

(ix) The Municipality's human resource and capacity constraints must be considered against the inherent risks that these shortages pose within the municipality's operations. The continuous high vacancy rate of critical positions place unfair and unsustainable pressure on existing staff, hamper segregation of duties and responsibilities and undermine accountability and governance.

The risks posed by not having sufficient capacity and resources in Disaster Management and Fire Fighting speaks for itself and cannot be over emphasized. Council should ensure that the inherent risks in human resource vacancies and essential systems and equipment remain at an acceptable level and where not, that those vacancies should be filled and systems and equipment be acquired. It is however noted, that some progress has been made in this respect.

(x) As the Abakus financial system was found non-compliant the municipality had to change to a MSCOA compliant financial accounting system, placing a huge human resource and financial burden on the Municipality. This is a proven risk area that is constantly monitored by Council, management and Provincial and National role-players. The Provincial and National Role Players should however take note of the challenges in this respect and provide support to all municipalities to ensure that they are legally compliant.

(xi) Emphasis should be given to the holistic, equitable and sustainable development of the Municipal area. Spatial Development should not only deal with land use matters such as addressing illegal use of land, but should also support realistic and sustainable development that would bridge the economic and physical divide between North and South in a manner that promotes local economic growth, skills development and job creation while protecting and upholding the precious cultural and historic assets and unique character of our towns and neighbourhoods. The Municipality should prioritize the drafting of a new zoning scheme as well as an integrated human settlement plan, that enhances neighbourhood development and address the infrastructure backlogs in the respective towns.

(xii) Local economic development initiatives should not be restricted to EPWP, CWP and labour intensive projects, but should facilitate catalyst projects such as Agri Parks, the establishment of dried fruit facilities, the fostering of "new wealth" businesses and the strengthening of the social core through socio-economic and public/private partnerships for example the social lab projects identified in conjunction with the University of Stellenbosch together with the local communities. Whenever such projects are undertaken the necessary goals and objectives, support, training, coaching and control mechanisms should be put in place in order to guarantee success.

(xiii) Speed law enforcement on the R66, that runs through our municipality, and within all residential areas must be strengthened. The Average Speed over Distance cameras do not sufficiently mitigate high speed on the R66 and visible speed law enforcement on the R66 and in all build-up areas must be prioritized to improve road safety. Law enforcement and fine collection did improve significantly during the reporting year after.

(xiv) Refuse removal and management; - phasing out of septic tanks and long drops in the Municipal area; - Master Plans should be developed and/or updated at regular intervals for each part of the Municipality's core services; - fleet management should be prioritised

(xv) The ward committee system is functioning well and all participants are capacitated to ensure that they do possess the necessary skills and knowledge to serve the community. Supporting staff were appointed for the respective ward committees in three out of the four ward committees. There are shortcomings in the understanding of communication channels and the feedback and reporting exercises that may hamper the flow of information and service delivery. Council should therefore revisit their ward committee policy as well as their client service policies and procedures.

(xvi) Though the public participation efforts of the Municipality are commendable, the quarterly feedback meetings to the community must be enforced.

(xvii) Communication remains challenging though a wide array of communication mechanisms is used. When public comment and participation is required, Council must continue to ensure a representative view is obtained and guard against politicking and gate-keeping. It is however true that the Mthonjaneni communities is geographically challenged and very diverse with different communication needs and preferences and that more can still be done in order to reach more of Mthonjaneni Municipality's residents. Dedicated support to this function should be prioritized and the ward committee policy should take cognizance of the respective engagements needs and practices of their communities.

(xviii) Council took the lead in ensuring that their community is kept informed by hosting a one hour radio program on a local radio station, once per quarter. This improved the overall knowledge of the community, supporting citizen capacitation. Other municipalities within the District are now looking to follow this example of Mthonjaneni Municipality.

(xix) As no public comment on the draft Annual Report was received during the commentary phase, Council should in future undertake a road show as part of their feedback meetings to the community where the draft report can be highlighted.

(xx) The unqualified Audit opinion obtained by the Municipality for the reporting period under review is something that Council, management and the community can be very proud of.

(xxi) The MPAC wishes to congratulate Council, Management and staff with their performance in that regard during the reporting year and encourage them to work even harder towards obtaining a clean report in future.

## **5. COMMENTS AND SUBMISSIONS BY THE PUBLIC**

The MPAC noted that no comments were received from the public and find this very disappointing. It is suggested that the Executive Mayor host a road show specifically highlighting the Annual Report content in future instances and that this be done in the second week after the adoption of the draft Annual Report.

**6. RESOLUTIONS TO BE TAKEN BY COUNCIL:** Council, having fully considered the Annual Report 2018/19 Mthonjaneni Municipality and representations thereon, and subject to and with due regard to the observations and suggestions contained in this MPAC Report resolves: (a) To adopt the Mthonjaneni Municipality Oversight Report for 2018/2019 in terms of section 129 of the Municipal Finance Management Act; and (b) To approve the Annual Report 2018/2019 in terms of section

129 of the Municipal Finance Management Act without reservations but with the correction that the unqualified audit status reflected in the Annual Report be changed throughout to reflect their Clean Audit status. (c) That this report with all its annexures be submitted to the Auditor General, the Provincial Treasury and the KZN Department for Local Government and in terms of section 129(2) of the MFMA. (d) That the implementation of measures recommended in section 4 of the Oversight report be investigated. (e) That the 2018/2019 Oversight Report of Mthonjaneni Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the KZN Legislature in terms of Section 132(2) of the MFMA.

Approved as bona fides proof of discussions at the meeting.

### **Reporting**

The department has done a noticeable improvement as far as reporting on financial matters to other stakeholders (e.g. internal departments, provincial, national and other stakeholders), we have achieved almost hundred (100%) percent on reforms as required by National Treasury and compliance departments, this evidenced by relevant circulars informing municipalities on such reporting compliance.

### **Supply Chain Management**

100% MIG spending due to improved supply chain processes and payment of consultants and contractors on time (even lesser than 30 days).

### **Integrated Development Planning (IDP)**

As a local government institution, the Mthonjaneni Municipality has adhered to municipal development policies such as the Municipal Systems Act, which state that all municipalities are obliged to undertake an IDP process to produce IDP's. In doing so, the Municipality has considered the relevant legislative requirements and the IDP Framework Guide during the process.

The 2018/2019 IDP was developed in-house and the Representative Forum Meetings were held at the Municipal Offices and the strategic planning session was held in May. The municipality undertook an intense public participation process through ward committee meetings that were held once a month in all thirteen wards, road shows were held in April where each ward held its own meeting, as well as stakeholder meetings that were conducted for the ratepayers in May. This was done to ensure that the people themselves were active participants in the identification of needs, priorities and strategies for the development of communities. The IDP was adopted on 30 May 2018.

**ACTION PLAN IN RESPONSE TO AUDITOR GENERAL'S COMMENTS**



## MTHONJANENI LOCAL MUNICIPALITY – AUDIT ACTION PLAN 2018-19 FINANCIAL YEAR

Type of Opinion Current Year (2018/19) : Unqualified

Type of Opinion Previous Year : Unqualified

### INTRODUCTION

For an action plan to properly produce the desired results, the transactions need to be divided into the two main classes:

(c) Financial Matters – which can be addressed in retrospect

(d) Non-financial Matters – This may not be adjusted in retrospect. For example if a deadline was not met, nothing can be done in retrospect but measures must be in place to avoid that in future.

Addressing (a) leads to a financially unqualified report whilst addressing both (a) and (b) leads to a clean audit report. Having a disclaimer may entail prioritizing (a) so as to improve the audit opinion.

Nature Of Audit Query	Audit Query	Audit Response (Quarter 1)	Audit Response Progress (Quarter 2)	Audit Response Progress (Quarter 3)	Audit Response Progress (Quarter 4)
<b>22. Material amendments to the annual financial statements</b>	<p>In terms of section 122(1) of the Municipal Finance Management Act of the Republic of South Africa, 2003 (Act No. 56 of 2003) (MFMA), "Every municipality and every municipal entity must for each financial year prepare annual financial statements which-</p> <p>(b) Fairly presents the state of affairs of the municipality or entity, its performance against budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year"</p> <p>During the audit of the annual financial statements the following material misstatements were identified in the disclosure items which were subsequently corrected. These material misstatements also constitute non-compliance with section 122(1) of the Municipal Finance Management Act (MFMA).</p> <p>Management did not ensure that the financial statements were adequately reviewed prior to being provided for audit as to ensure compliance with GRAP standards.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The major difference was caused by the late changes to the AFS affecting the cash flow that was not adjusted. AFS will be adequately reviewed before submission</p> <p><b><u>Responsible Official</u></b> CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 August 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Currently busy with interim AFS to be finalized by 28 February 2020. They will be reviewed by internal auditors before submission to council committees.</p> <p><b><u>Responsible Official</u></b> CFO, NM Myeni</p> <p><b><u>Target Date</u></b> 31 August 2020</p>		

<b>23. EXPENDITURE MANAGEMENT</b>	<p>Irregular expenditure/fruitless and wasteful expenditure incurred in the prior year was not prevented from recurring in the current year</p> <p>Section 62(1)(d) of the MFMA states that, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorized irregular or fruitless and wasteful expenditure and other losses are prevented;"</p> <p>During the audit of the disclosure notes, it was noted that management had incurred irregular and fruitless and wasteful expenditure for the 2018/2019 financial year, refer below for the analysis: -</p> <table><tr><th>Details</th><th>O/B</th><th>Incurred</th><th>W/O</th><th>C/B</th></tr><tr><td>F&amp;W Note 42</td><td>56 504</td><td>341 816</td><td>0</td><td>398 320</td></tr><tr><td>Irregular note 43</td><td>110 555 332</td><td>23 546 083</td><td>- 46 17 8 497</td><td>81 481 462</td></tr></table> <p>irregular, fruitless and wasteful expenditure (c) occurred in the current and prior years (d) could have been avoided had reasonable care been taken.</p> <p>The majority of the irregular expenditure was as a result of competitive bids was adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the prior year</p>	Details	O/B	Incurred	W/O	C/B	F&W Note 42	56 504	341 816	0	398 320	Irregular note 43	110 555 332	23 546 083	- 46 17 8 497	81 481 462	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>An application for exemption has been made to the National Treasury for the composition of the bid adjudication committee that is causing irregular expenditure. Follow up to be made on the request for exemption from the National Treasury on bid adjudication committee composition.</p> <p><b><u>Responsible Officials</u></b> <b>SCM MANAGER , DB Mlondo CFO, NM Myeni</b></p> <p><b><u>Target Date</u></b> 31 March 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>We still awaiting response from National Treasury in terms of exemption. A follow up letter will be drafted and sent to NT.</p> <p><b><u>Responsible Officials</u></b> <b>SCM MANAGER , DB Mlondo CFO, NM Myeni</b></p> <p><b><u>Target Date</u></b> 31 March 2020</p>		
Details	O/B	Incurred	W/O	C/B																
F&W Note 42	56 504	341 816	0	398 320																
Irregular note 43	110 555 332	23 546 083	- 46 17 8 497	81 481 462																
<b>24. No investigations conducted in terms of prior and current year fruitless</b>	<p>In terms of Section 32(4) of the Municipal Finance Management Act, Act No. 56 of 2003(MFMA), the accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Submission was made to the MPAC in terms of UIFW expenditure for</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>UIFW report submitted to the Mpac sitting that took place on 30 January 2020 and will</p>																	

<p><b>and wasteful expenditure as disclosed in the 2018/2019 annual financial statements</b></p>	<p>(d) Any unauthorized, irregular or fruitless and wasteful expenditure incurred by the municipality</p> <p>(e) Whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and</p> <p>(f) The steps that have been taken—</p> <p>(vi) To recover or rectify such expenditure; and</p> <p>(vii) To prevent a recurrence of such expenditure.</p> <p>During the audit of fruitless and wasteful expenditure, it was identified that the municipality had not conducted an investigation into the fruitless and wasteful expenditure that has been disclosed in note 42 of the financial statements, amounting to R341 816 (2018: R56 504), as required per the MFMA.</p> <p>This results in non-compliance with the provisions of the MFMA.</p>	<p>prior years. MPAC then recommended to the council to write off irregular expenditure due to noncompliance in terms of bid adjudication committee composition.</p> <p>We will Re-Submit a report to the MPAC with recommendations to investigate the other UIFW expenditure that was not written off.</p> <p><b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo ,MEFR, A Shandu, CFO, NM Myeni <b><u>Target Date</u></b> 31 March 2020</p>	<p>be done ongoing.</p> <p><b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo ,MEFR, A Shandu, CFO, NM Myeni <b><u>Target Date</u></b> 31 March 2020</p>		
<p><b>25. Awards made to non-tax compliant suppliers</b></p>	<p>In terms of MFMA section 112 (I)(iii), The supply chain management policy of a municipality must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following: (i)(iii) the barring of persons from participating in tendering or other bidding processes, including persons whose tax matters are not cleared by South African Revenue Service.</p>	<p><b><u>ACTION TO BE TAKEN</u></b> CSD or supplier tax pin will be verified on the tax status of each supplier prior to awarding even when it is a deviation transaction. This</p>	<p><b><u>ACTION TO BE TAKEN</u></b> Checklist in place as a control measure in this regard.</p> <p><b><u>Responsible Official</u></b> SCM MANAGER , DB Mlondo CFO, NM Myeni</p>		

	<p>In terms of Municipal Supply Chain Regulation 43 (1) The supply chain management policy of a municipality irrespective of the procurement process followed, state that the municipality may not award any award above R1 5000 to a person whose tax matters have not been declared by the South African Revenue Services to be in order.</p> <p>In terms of paragraph 43 (1 and 2) of the Municipality's SCM Policy, no award above R30 000 may be made in terms of this policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order. Before making an award to a person the Bidder must first prove whether that person's tax matters are in order by the annual submission of an original tax clearance certificate as issued by SARS.</p> <p>In terms of MFMA Circular 90, designate officials, preferably from the supply chain management unit, whose function will be to verify the tax compliance status of a taxpayer and to manage the TCS system on the SARS website and have the functionality to verify the tax compliance status of a taxpayer on the SARS' e-Filing system.</p> <p>The CSD and tax compliance status PIN are the approved methods to be used to prove tax compliance as the SARS no longer issues Tax Clearance Certificates but has made provision online, via e-Filing, for bidders to print their own Tax Clearance Certificates which they can submit with their bids or price quotations.</p> <p>In terms of MFMA circular 90 Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations.</p>	<p>will be controlled through the checklists introduced for SCM and Expenditure.</p> <p><b><u>Responsible Official</u></b>  <b>SCM MANAGER ,</b>  <b>DB Mlondo</b>  <b>CFO, NM Myeni</b></p> <p><b><u>Target Date</u></b>  31 January 2020</p>	<p><b><u>Target Date</u></b>  31 January 2020</p>		
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	<p>The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.</p> <p>The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.</p> <p>As per the guidance on SARS, the (Tax Compliance Status) TCS PIN can be used instead of / in the place of a TCC by authorized third parties to verify your compliance status online via SARS</p> <p>Furthermore, suppliers were not requested to provide written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations within 7 working days.</p> <p>This results in material non-compliance and should be disclosed as irregular expenditure in the AFS.</p>				
<b>26. Payments not made within 30 days</b>	<p>Section 65 (2) (e) of the Municipal Finance Management Act No. 56 of 2003, states inter-alia that, the accounting officer must for the purpose of subsection (1 ) take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure. During the audit of expenditure, it was noted that the invoices were not paid within 30 days from the date they were received as required by the above legislation.</p> <p>The above non-compliance may result in interest and penalties being charged which constitutes fruitless and wasteful expenditure.</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The municipality will adequately monitor invoice register and will implement a weekly follow-up to ensure that payments are processed on time.</p> <p>The municipality will also implement a monthly report detailing reason why payments are not made on time and submit to the CFO's office for review</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Invoice register is used as a control measure to prevent and monitor payments not made within 30 days, the accountant expenditure submits the expenditure report detailing payment turnaround time to CFO on a monthly basis.</p> <p><b><u>Responsible Official</u></b></p> <p><b>MEFR: A Shandu</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 January 2020</p>		

		<u>Responsible Official</u>  <b>MEFR: A Shandu</b> <b>CFO : N Myeni</b>  <u>Target Date:</u> 31 January 2020			
<b>27. Deviations</b>	Municipal Supply Chain Management Regulation 36 reads: (1) A supply chain management policy may allow the accounting officer- a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (viii) for the acquisition of special works of art or historical objects where specifications are difficult to compile; (ix) acquisition of animals for zoos; or (x) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature. (2) The accounting officer must record the reasons for any deviations in terms of sub regulation (l)(a) and (b) and report them to the next meeting of the council, and include as a note to the annual financial statements. National treasury instruction SCM instruction note 3 of	<u><b>ACTION TO BE TAKEN</b></u> Deviations to be checked in terms of the reasons cited in the form. We ensure that it meets the requirements of transactions made through deviations in terms of the legislation.  <u>Responsible Official</u> <b>SCM Manager : D Mlondo</b> <b>CFO : N Myeni</b>  <u>Target Date:</u> <b>31 January 2020</b>	<u><b>ACTION TO BE TAKEN</b></u> Deviations are checked as they are received to determine the validity of reasons cited.  <u>Responsible Official</u> <b>SCM Manager : D Mlondo</b> <b>CFO : N Myeni</b>  <u>Target Date:</u> <b>31 January 2020</b>		



	<p>2016/17 paragraph 8.2 reads: "An emergency procurement may occur when there is a serious and unexpected situation that poses an immediate risk to health, life, property or environment which calls an agency to action and there is insufficient time to invite competitive bids"</p> <p>b) The following deviations do not meet the requirements for an emergency procurement; the municipality did not sufficiently demonstrate how the deviations pose an immediate risk to health, life, property or environment. In addition, an emergency procurement may not be as a result of poor planning.</p> <table><tr><th>Supplier's Name</th><th>Description</th><th>Amount</th><th>Reason for deviation</th></tr><tr><td>Chico man Trading</td><td>Grass cutting in voting stations</td><td>93 897, 89</td><td>An emergency – major backlog for grass cutting urgent attention</td></tr></table>	Supplier's Name	Description	Amount	Reason for deviation	Chico man Trading	Grass cutting in voting stations	93 897, 89	An emergency – major backlog for grass cutting urgent attention				
Supplier's Name	Description	Amount	Reason for deviation										
Chico man Trading	Grass cutting in voting stations	93 897, 89	An emergency – major backlog for grass cutting urgent attention										

					ntion to cut all 23 wards and grass cutting at Mthonjaneni voting station					
28. Indigent discrepancies identified	Section 64 of the MFMA requires that the accounting officer of a municipality is responsible for the management of the revenue of the municipality. The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality credit control and debt collection policy including having and maintaining a management, accounting and information system which (iv) recognizes revenue when it is earned; (v) accounts for debtors; and (vi) accounts for receipts of revenue; and that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;					<u>ACTION TO BE TAKEN</u> We will analyse the indigent database to identify the discrepancies. Corrections to be made on discrepancies identified.  <u>Responsible Official</u> MR : N Nhleko CFO : N Myeni	<u>ACTION TO BE TAKEN</u> Service providers are being sourced for this service, We are in a process of procuring data cleansing services in order to vet indigent applicants before there are approved.  <u>Responsible Official</u> MR : N Nhleko CFO : N Myeni			

	<p>The municipality received equitable share allocation of R76,67 million. Part of the equitable share is used to fund free basic services that are meant for the poor.</p> <p>Due to the possible invalid indigent status of debtors above, there is a possible material understatement of revenue and understatement of receivables to the municipality due to the invalid rebates granted to consumers. The municipality should determine the total of the rebates applied to invalid indigents and ensure that the appropriate remedy is instituted to recover lost monies.</p> <p>Accordingly, the annual financial statements need to be considered for adjustment for the correct revenue and receivable to be raised.</p>	<p><b>Target Date:</b> 31 March 2019</p>	<p><b>Target Date:</b> 31 March 2019</p>		
<p><b>29. Splitting of procurement of goods</b></p>	<p>Municipal Supply Chain Management Regulation 12(3)(a) reads: (1) A supply chain management policy must state —</p> <p>"that goods or services may not be deliberately split into parts or Items of a lesser value to avoid complying with the requirement of the policy"</p> <p>The quotations appear to be split in order to avoid procurement through competitive bidding and the following factors were considered in assessing the splitting of the procurement of goods</p> <p>(a)The nature of items procured is similar or can be expected to be sourced from the same supplier</p> <p>(b)The value of the quotes is combined is above R 200 000 therefore would have forced procurement through competitive bidding</p> <p>(c)The timing of procurement of goods and the invitation for bid</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Requisitions will be checked thoroughly to determine if they aren't splitting the goods/ services to meet certain procurement range</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager: D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 January 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Requisitions are checked on submission from the departments to avoid splitting of orders.</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager: D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 January 2020</p>		

Quote #	Supplier	Goods	Advert Date	Price				
M0034	DSM Electrical	Poles – HV Lines	21/01/19	138 592				
M0035	DSM Electrical	Poles – HV Lines	21/01/19	184 612				
<b>Total</b>				<b><u>323 205</u></b>				
M0030	Laduma Sports	Tracksuits for Salga games	10/09/18	199 755				
M0031	Thingo Projects	Councillor attire for Salga games	10/09/18	198 000				
M0032	Thingo Projects	T-Shirt for Salga games	10/09/18	198 013				
<b>Total</b>				<b><u>595 769</u></b>				
M0036	Bay General Suppliers	Electrical Stock	26/10/19	131 836				
M0037	Bay General	LV Cable	26/10/19	105 340				

		Suppliers							
		<b>Total</b>			<b>237 176</b>				
<b>30. Disaster Recovery Plan not tested</b>	<p>A Disaster Recovery Plan (DRP) was in place; however, it had not been tested by the municipality to assess its effectiveness in recovering critical IT resources in the event of a disaster.</p> <p>Furthermore, the DRP requires updating as the server rooms have been merged into a single room and the DRP needs to be reflective of that.</p> <p>Without testing the DRP, the municipality may not be aware of any shortcomings in the plan and will not be able to assess its effectiveness in an objective and quantifiable manner. If the DRP is not reflective of the current IT environment at the municipality it may not be an adequate reference to effectively to restore IT systems. The risk has however not materialized during the 2018-19 as there were no disruptions during the year that required the DRP to be invoked.</p> <p>This is a repeat finding from the prior years.</p>					<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Testing of Disaster Recovery plan with be actioned by reviewing Disaster Recovery Plan and testing of the recovery system on quarterly basis</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS: ZS Mthethwa</b></p> <p><b><u>Target Date:</u></b></p> <p><b><u>30/06/2020</u></b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>IA noted that there is no progress at this stage.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS: ZS Mthethwa</b></p> <p><b><u>Target Date:</u></b></p> <p><b><u>30/06/2020</u></b></p>		
<b>31. Network diagram not documented</b>	<p>A network diagram that reflects the current IT infrastructure of the municipality had not been documented.</p> <p>In the absence of a complete, accurate and approved network diagram the municipality may not be able to effectively manage and assess the overall security of its network infrastructure.</p> <p>The municipality is busy upgrading and making changes to its network and only once this process is finalised can the</p>					<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>IT Infrastructure will be documented by not later than 30 /06/2020</p> <p><b><u>DCCS: Mthethwa</u></b> <b>ZS</b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>IA noted that there is no progress at this stage.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DCCS: ZS Mthethwa</b></p> <p><b><u>Target Date:</u></b></p>		

	network diagram be documented.  This is a repeat finding from the prior years.	<u>Target Date:</u>  <u>30/06/2020</u>	<u>30/06/2020</u>									
32. Impairment of an item of Property, Plant and Equipment	In terms of section 122(1) (a) MFMA, every municipality must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.	<u>ACTION TO BE TAKEN</u> During verification of assets it was discovered that the assets will need to be repaired therefore there was no further need to do assessment. Repairs will be performed as planned during 2019/20 financial year.	<u>ACTION TO BE TAKEN</u>  Repairs will be done before the end of this financial year.									
	In terms of GRAP21.20 - 23(c) an entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, an entity shall consider if evidence is available of obsolescence or physical damage of an asset.		<u>Responsible Official</u>  Revenue Manager: N Nhleko CFO : N Myeni DTS : SF Mchunu									
	Our physical verification of a Community Asset at Ndundulu Sports field it was not that the following assets were not impaired:		<u>Target Date:</u> 30 June 2020									
	<table><tr><th>Asset Code</th><th>Description</th><th>Carrying Amount</th></tr><tr><td>MTH00078</td><td>NDUNDULU SPORTFIELD-CHANGE ROOMS</td><td>95 073.29</td></tr><tr><td>MTH00095</td><td>NDUNDULU SPORTFIELD-WIRE FENCE</td><td>312 287.62</td></tr></table>	Asset Code	Description	Carrying Amount	MTH00078	NDUNDULU SPORTFIELD-CHANGE ROOMS	95 073.29	MTH00095	NDUNDULU SPORTFIELD-WIRE FENCE	312 287.62	<u>Responsible Official</u>  Revenue Manager: N Nhleko CFO : N Myeni DTS : SF Mchunu  <u>Target Date:</u> 30 June 2020	
Asset Code	Description	Carrying Amount										
MTH00078	NDUNDULU SPORTFIELD-CHANGE ROOMS	95 073.29										
MTH00095	NDUNDULU SPORTFIELD-WIRE FENCE	312 287.62										



	MTH00096	NDUNDULU SPORTFIELD- GATE	5 529				
	TOTAL		412 889.91				
	<p>The following damage is done on the above-mentioned assets:</p> <ol style="list-style-type: none"><li>1. Change room ceiling is torn</li><li>2. Change room windows broken</li><li>3. Change room doors had been removed</li><li>4. Change room gates broken</li><li>5. Sports-field fence cut</li><li>6. Sports-field gate cut</li></ol> <p>It was further noted that there was no impairment loss for these asset from prior years up to current year.</p> <p>As a result, property plant and equipment is misstated.</p>						

<b>33. No labelling of Gravel Access Roads</b>	In terms of section 63(1) • (2) (c) MFMA, the accounting officer of a municipality is responsible for the management of assets and therefore must for the purposes of subsection (h ) take all reasonable steps to ensure that the municipality has and maintains a system of internal control of assets.	<b><u>ACTION TO BE TAKEN</u></b>	<b><u>ACTION TO BE TAKEN</u></b>																											
	During physical verification of road infrastructure there were no signs to clearly identify the name of the road:	This will be done in house by technical team, the material will be bought using maintenance vote.	Service Provider from B.I Infrastructure Consultants has been appointed for maintenance plan and policy development and this covers labelling of gravel access roads on the scope of works, Draft maintenance Plan and Policy will be submitted on Thursday the 20 <sup>th</sup> of February by consultants to DTS , procuring and installation of signs will be done in-house before June 2020 after adoption of Maintenance plan and policy by Council.																											
	<table><tr><th>Road Name</th><th>Road Surface</th><th>Area</th></tr><tr><td>Ngqekwane Access road</td><td>Gravel</td><td>Ngqekwane</td></tr><tr><td>Upgrading of rural road ward 7(1)</td><td>Gravel</td><td>Makhasaneni</td></tr><tr><td>Khanyile access road</td><td>Gravel</td><td>Khanyile</td></tr><tr><td>Hawai access road 1</td><td>Gravel</td><td>Hawai</td></tr><tr><td>Hawai access road 1</td><td>Gravel</td><td>Hawai</td></tr><tr><td>Mazulu access road</td><td>Gravel</td><td>Mazulu</td></tr><tr><td>Mkantshana access road 2</td><td>Gravel</td><td>Mkantshana</td></tr><tr><td>Upgrading of rural road 7(2)</td><td>Gravel</td><td>Makhasaneni</td></tr></table>	Road Name	Road Surface	Area	Ngqekwane Access road	Gravel	Ngqekwane	Upgrading of rural road ward 7(1)	Gravel	Makhasaneni	Khanyile access road	Gravel	Khanyile	Hawai access road 1	Gravel	Hawai	Hawai access road 1	Gravel	Hawai	Mazulu access road	Gravel	Mazulu	Mkantshana access road 2	Gravel	Mkantshana	Upgrading of rural road 7(2)	Gravel	Makhasaneni	<b><u>Responsible Official</u></b> <b>DTS: SF Mchunu</b>	
	Road Name	Road Surface	Area																											
	Ngqekwane Access road	Gravel	Ngqekwane																											
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		<b><u>Responsible Official</u></b> <b>DTS: SF Mchunu</b>																												
		<b><u>Target Date:</u></b> 30 June 2020																												

	Bovini access road	Gravel	Bovini				
	Thengela access road	Gravel	Thengela				
	Ngakwini access road	Gravel	Nqakavini				
	Sigubudu access road	Gravel	Sigubudu				
<b>34. Property, plant and equipment — assets under-insured</b>	<p>In terms of Section 62 of the Municipal Finance Management Act, Act 56 of 2003, the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take reasonable steps to ensure:</p> <ul style="list-style-type: none"> <li>(d) that the resources of the municipality are used effectively, efficient and economically.</li> <li>(e) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.</li> <li>(f) that the municipality has and maintains effective, efficient and transparent systems</li> </ul> <p>In terms of section 63(a) of the Municipal Finance Management Act, Act 56 of 2003, the accounting officer of a municipality is responsible for the management of the asset of the municipality, including the safeguarding and the maintenance of those assets.</p> <p>As per the table below it is observed that the assets of the municipality are under-insured by R35, 908 million. This</p>			<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>We will review the municipal insurance policy for assets especially for other assets and make necessary adjustments.</p> <p><b><u>Responsible Official</u></b> MR : N. Nhleko CFO : N Myeni</p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The Asset policy is being reviewed and will be tabled to council for approval by 31 March 2020</p> <p><b><u>Responsible Official</u></b> MR : N. Nhleko CFO : N Myeni</p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		

	places the municipality at a risk should a disaster occur and assets may not be adequately replaced.						
	<b>Category of assets</b>	<b>Book value as at June 19</b>	<b>Insured value as per contract</b>				
	Machinery & Equipment	3 023 981	1 100 000				
	Furniture & office equipment	806 409	1 727 000				
	Transport assets	5 674 897	1 000 000				
	Computer Equipment	388 088	1 643 087				
	Community Asset	79 882 200	68 772 469				
	Other Asset	20 969 575	593 771				
	<b>Total</b>		<b>35 908 823</b>				
<b>35. Procurement and contract management — awards to persons in service of state</b>	<p>In terms of MFMA SCM reg. 13(c)(1) -</p> <p>A supply chain management policy must state that the municipality may not consider a written quotation or bid unless the provider who submitted the quotation or bid —</p> <p>(c) has indicated —</p> <p>(iv) whether he or she is in the service of the state, or has been in the service of the</p>			<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The cases indicated will be investigated. A declaration of interest and CSD report will be part of the documents consumed before a purchase order is</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The cases below were resolved:</p> <p>4. Judy Magwaza Trading Enterprise</p> <p>5. Emphethweni Medical Centre, and</p>		

	<p>state in the previous twelve months;</p> <p>(v) .if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or</p> <p>(vi) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.</p> <p>The results of our CAATS testing revealed the following exceptions:</p> <p>b) The following findings were found to have submitted false declarations as their members were found to be in employed in other state institutions:</p> <table><tr><td>CIPC_ENT_NAME</td></tr><tr><td>JUDY MAGWAZA TRADING ENTERPRISE</td></tr><tr><td>MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED</td></tr><tr><td>MPEMBE PRODUCTION</td></tr><tr><td>EMPHETHWENI MEDICAL CENTER</td></tr><tr><td>EMPHETHWENI MEDICAL CENTRE</td></tr><tr><td>EMINENT EVENTS</td></tr><tr><td>AKHONASIKHONA</td></tr><tr><td>SHINING STARS SPORTING AGENCY</td></tr></table>	CIPC_ENT_NAME	JUDY MAGWAZA TRADING ENTERPRISE	MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED	MPEMBE PRODUCTION	EMPHETHWENI MEDICAL CENTER	EMPHETHWENI MEDICAL CENTRE	EMINENT EVENTS	AKHONASIKHONA	SHINING STARS SPORTING AGENCY	<p>issued.</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager : D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 March 2020</p>	<p>6. PriceWaterhous eCoopers</p> <p>The other remaining cases are still investigated. However, CSD reports and Declarations are still used as a control measure.</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM Manager : D Mlondo</b> <b>CFO : N Myeni</b></p> <p><b><u>Target Date:</u></b> 31 March 2020</p>		
CIPC_ENT_NAME														
JUDY MAGWAZA TRADING ENTERPRISE														
MTHONJANENI TRANSPORT SERVICES CO-OPERATIVE LIMITED														
MPEMBE PRODUCTION														
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EMPHETHWENI MEDICAL CENTRE														
EMINENT EVENTS														
AKHONASIKHONA														
SHINING STARS SPORTING AGENCY														

	SHINING STARS SPORTING AGENCY	BUSANI JEFFREY	KHOMO		
	FIRSTRAND BANK	LOUIS LEON	VON ZEUNER		
	FIRSTRAND BANK	MARY	VILAKAZI		
	CONLOG	JUDY VALERIE	NWOKEDI		
	MOBILE TELEPHONE NETWORKS	THOBEKA PATIENCE	SISHUBA		
	PRICEWATERHOUSECOOPERS	PHILANI JETRO	MAPHANGA		
<b>36. Lack of formal policy for the management of road infrastructure</b>	<p>The Municipal Systems Act, Act 32 of 2000, section 11 (3) (a) states that "A municipality exercises its legislative or executive authority by—</p> <p>Developing and adopting policies, plans, strategies and programmes, including setting targets for delivery.</p> <p>During the audit of road infrastructure at the Mthonjaneni Municipality it was noted that the municipality did not have an approved policy on roads clearly indicating the following:</p> <ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Proactive and routine maintenance planning</li> <li>• Funding of new road infrastructure and maintenance of existing road infrastructure</li> <li>• Management information system</li> <li>• Addressing backlogs</li> </ul> <p>The absence of an approved Roles and responsibilities of the staff members and procedures to manage road infrastructure, could result in the following:</p> <ul style="list-style-type: none"> <li>• Staff not aware of their roles and responsibilities</li> <li>• Each division unaware of their roles and functions</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The municipality has appointed B.I Infrastructure to develop road maintenance plan and policy. The service provider will complete to develop the maintenance plan and policy in the fourth quarter.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers management of road infrastructure- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		



	<ul style="list-style-type: none"> <li>Road infrastructure backlogs not being addressed</li> </ul> <p>This matter was raised in the three preceding financial years and management committed in each action plan for the 2105-16, 2016-17 and 2017-18 financial years to develop and implement a policy. The action plan to address prior years' management report findings stated that a process is in progress to appoint a service provider to develop this policy. However, the process has not been finalised at time of this audit.</p>				
<b>37. No approved road maintenance strategy in place and maintenance plan lacks critical information</b>	<p>The Local Government Capital Asset Management Guideline states:</p> <p>"Once the asset policy has been formulated, operation and maintenance plans should be developed to give effect to the policy.</p> <p>Operation and maintenance plans define the approaches to be used, and what needs to be done, to optimise performance and asset life. The objective of operation and maintenance plans is to ensure that:</p> <ul style="list-style-type: none"> <li>Assets remain appropriate to programme requirements.</li> <li>Assets are efficiently utilised;</li> <li>And assets are maintained in the condition necessary to support programme delivery at the lowest possible long-term cost".</li> </ul> <p>It was noted that the municipality did not have an approved maintenance strategy. A maintenance strategy is a comprehensive plan that:</p> <ul style="list-style-type: none"> <li>defines the asset, the performance required of it,</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The maintenance plan and policy which the service provider is developing will contain the maintenance strategy and will cover all wards which are within Mthonjaneni municipality</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers maintenance of road infrastructure- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		

	<p>and the level to which it is to be maintained;</p> <ul style="list-style-type: none"> <li>• identifies the risks associated with the chosen strategy in terms of service delivery in the event of asset failure;</li> <li>• describes the systems (not specifically IT) and procedures to be used to plan and manage the maintenance work;</li> <li>• specifies the types of maintenance to be carried out (i.e. in-house or outsourced), and why;</li> <li>• nominates the means of resourcing and implementing maintenance;</li> <li>• indicates any requirements for in-house spare parts and any specialist equipment needed to maintain certain assets; and</li> <li>• outlines the projected costs of routine (and corrective/preventive) maintenance and forecasts major replacements for the next 5—10 years, depending on the type of asset</li> </ul> <p>The maintenance plan provided by the municipality is outdate as it does not include the wards inherited through the merger of the former Ntambanana Municipality. A comprehensive maintenance plan should at least include critical aspects, as per the abovementioned guidelines, which are necessary for the efficient management of the assets. In terms of the above mentioned guideline, maintenance plan should include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• definition of maintenance standards;</li> </ul>				
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	<ul style="list-style-type: none"> <li>allowance for the rectification of existing defects;</li> <li>description of the work to be carried out; and</li> <li>forecast of the necessary maintenance, major repairs and preventative maintenance expenditure for the planning period.</li> <li>the entire road network and the condition of the road network including the visual condition index (VCI)</li> </ul> <p>Consequently, the lack of a comprehensive strategy and plan impacts negatively on the efficient management of the asset and its continued value in providing effective and quality service delivery. It will further impair proper decision making on the deterioration of the road infrastructure (ie. Priority listing which includes renewals, rehabilitation, potholes, cracks etc.) cannot be made. Furthermore, a lack of an approved maintenance plan can affect accurate budgeting and sound decision making.</p>				
<b>38. Road Asset Management System</b>	<p>Paragraph 4.2.1 of the road infrastructure strategic framework of South Africa (RISFSA) defines a road asset management system (RAMS) as follows:</p> <p>"it is a structured procedure, to facilitate coordination and project management of all road networks aimed at ensuring the desired service delivery. RAMS comprises of various systems such as:</p> <ul style="list-style-type: none"> <li>Construction management system</li> <li>Pavement management system Maintenance management system</li> <li>Bridge management system</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The maintenance plan and policy which the service provider is developing will contain Road asset management system</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>Draft maintenance policy and maintenance plan which covers road asset management system- will be submitted by the appointed Consultant from BI Infrastructure. This will be adopted by Council on or before June 2020. Further more-King Cetshwayo District Municipality is busy collecting data for</p>		

	<p>Road network information is a basic requirement for planning and budgeting purposes. If accurate information is kept it will ensure that the priorities outlined in the IDP are met and aligned with the community's needs.</p> <p>This finding has been reported in the previous year audit. Management indicated in the audit action plan that a consultant will be appointed from a panel of service providers from MIG Projects. Since these consultants provide professional engineering skills in procuring and implementation of the municipal road infrastructure maintenance/ policies. However, during the current audit, this process has not been completed.</p> <p>Consequently, management is not in a position to make informed decisions to manage its road network and to adequately plan for necessary intervention. Failure to appropriately manage road network would lead to unsustainable increase in costs which according to RISFSA is estimated between 6 to 18 times more.</p>	<p><b><u>Target Date:</u></b> 30 June 2020</p>	<p>conditions of municipal roads and road network system and this information will be submitted to us by the district before June 2020.</p> <p><b><u>Responsible Official</u></b></p> <p><b>DTS : S Mchunu</b></p> <p><b><u>Target Date:</u></b> 30 June 2020</p>		
<p><b>39. The requirements of SIPDM into the SCM policy were not approved and implemented</b></p>	<p>In November 2015 National Treasury issue the Standard for Infrastructure Procurement and Delivery Management (SIPDM) in order to improve project outcomes. The effective implementation date by organs of state subject to MFMA was 1 July 2016. The full implementation of the SIPDM, which is expected to deliver better value for money within an auditable system, requires that a number of actions be undertaken, and one of the actions is to establish a suitable SCM policy for Infrastructure Procurement and Delivery Management.</p> <p>This policy should be approved by the head of Department and incorporate the following:</p> <ul style="list-style-type: none"> <li>assign responsibilities for approving or accepting deliverables associated with a gate in the control framework or authorising a procurement process or</li> </ul>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The policy has been developed and approved by Council during 2019/20 financial year and it will be implemented accordingly</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM : BD Mlondo CFO : NM Myeni</b></p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p>The policy has been developed and approved by Council during 2019/20 financial year and it will be implemented accordingly</p> <p><b><u>Responsible Official</u></b></p> <p><b>SCM : BD Mlondo CFO : NM Myeni</b></p> <p><b><u>Target Date:</u></b> 31 March 2020</p>		

	<p>procedure;</p> <ul style="list-style-type: none"> <li>• establish committees which are required by law, or equivalent quality management and governance arrangements;</li> <li>• establish delegations for the awarding of a contract or the issuing of an order; and</li> <li>• establish ethical standards for those involved in the procurement and delivery of infrastructure.</li> </ul> <p>According to the instruction by National Treasury the SCM policy should have been completed by 1 April 2017 but this has not been done to date.</p> <p>The SIPDM provides a control framework for the planning, design and execution of infrastructure projects which are required to provide better quality of life for the citizen of the country. Therefore, any delay in implementing the requirements of the SIPDM will affect the timely delivery of all infrastructure projects prolonging better service delivery and value for money.</p> <p>This finding was raised in the previous years' audit. However, the approval and implementation of this policy did not take effect during this financial year.</p>	<p><b>Target Date:</b> 31 March 2020</p>			
<b>40. Road infrastructure</b>	<p><b>Road Infrastructure- Background</b></p> <p>During the roads infrastructure audit of the Mthonjaneni Municipality, a site inspection was conducted on the 17th of October 2019 for the under-mentioned projects in order to determine whether the construction and rehabilitated roads have successfully achieved the deliverables as per the scope of work, timelines set, budgeted cost and the quality requirements. In order to assess if each project meets the expected quality requirements; the completeness of the</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p><i>Action to be taken on construction of Manzawayo</i></p> <p>The project is still under construction and due for</p>	<p><b><u>ACTION TO BE TAKEN</u></b></p> <p><i>Road Infrastructure- Manzawayo:</i></p> <p>The Consultants from BI Infrastructure have been advised to take actions regarding the progress</p>		

	<p>project was measured against whether the recorded width measurements match what's on the ground etc.</p> <p><b>Finding A- Delay in Construction of Manzawayo Gravel Road</b></p> <p>The construction of the Manzawayo gravel road commenced on the 22 October 2018. The project was originally scheduled to be completed by 22 May 2019. An extension of time(EOT) of 121 days was approved as the municipality waited for the Municipal Infrastructure Grant (MIG) allocation, since there were no funds available to pay the contractor. This resulted in a revision of the contract completion date to 20 September 2019,</p> <p>During the site visit, it was observed that the project is still in progress. No further EOT's were approved to allow the project to continue after the 20th September 2019. This has resulted in a project delay.</p> <p><b>Finding B- Construction of Urban Roads Upgrade and Rehabilitation of Phase 5</b></p> <p>2. The construction of the project commenced on the 13 July 2018. The project was originally scheduled to be completed by 31 May 2019. An extension of time (EOT) of 120 days was approved as the municipality waited for the Municipal Infrastructure Grant (MIG) allocation, since there were no funds available to pay the contractor and extra work described by the contractor in their submission. This resulted in a revision of the contract completion date to 30 September 2019</p>	<p>completion as the contractor is busy with finishes but the contractor is on penalties as there will be no further extension of time granted due to technical reasons ( guided by general conditions of contracts) to this contractor.</p> <p><b>Action to be taken on construction of Urban Roads Upgrade and Rehabilitation of Phase 5</b></p> <p>This project was further extended to 29 October 2019 but there will be no further extension due to technical reasons (guided by general conditions of contracts) and the contractor is currently on penalties. The blacktop surfacing on the road is completed on all roads and the contractor is busy with finishes</p>	<p>of this project and the response is expected no later than Thursday the 20<sup>th</sup> February 2020.</p> <p><b>Urban Roads Upgrade and Rehabilitation of Phase 5</b></p> <p>The Consultants from BI Infrastructure have been advised to take actions regarding the progress of this project and the response is expected no later than Thursday the 20th February 2020.</p> <p><b>Responsible Official</b></p> <p><b>DTS : S Mchunu</b></p> <p><b>Target Date:</b></p> <p><b>30 June 2020</b></p>		
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		<u>Responsible Official</u>  <b>DTS : S Mchunu</b>  <u>Target Date:</u>  <b>30 June 2020</b>			
<b>41. Material Impairments</b>	As disclosed in notes 10 to the financial statements ,receivable from no-exchange transactions were impaired by R74,58 million ( 2018 : R 72,79 million ) as a results of the annual review of the recoverable od debts	<u><b>ACTION TO BE TAKEN</b></u> This is due to traffic fines issued. Recoverability is very low. The municipality makes provision of 80% for impairment as a result.  The municipality will continue to implement means such as road blocks and settlement discounts to encourage payment of traffic fines.  <u>Responsible Official</u>  <b>DCCS : ZS Mthethwa</b> <b>CFO: NM Myeni</b>	<u><b>ACTION TO BE TAKEN</b></u> The municipality is in the process to appoint service provider who will assist with traffic management system which will include traffic fines collection and therefore increase a recoverability of traffic fines issued.  <u>Responsible Official</u> <b>DCCS : ZS Mthethwa</b> <b>CFO: NM Myeni</b>  <u>Target Date:</u> 31 March 2020		

		<b><u>Target Date:</u></b> 31 March 2020			
<b>42. Material Losses electricity</b> –	As disclosed in note 48 to the financial statement, the municipality incurred material electricity losses of 1 631 275 kilowatts (2017-18 2 240 730 kilowatts) which resulted in revenue loss of R2, 03 million (2017-18 R2, 97 million). The losses were mainly attributed to aging electrical infrastructure and illegal electricity connections	<b><u>ACTION TO BE TAKEN</u></b> The municipality will conduct meter audit to minimise electricity losses due to illegal connections. Will ensure ongoing maintenance of electricity infrastructure and enforce credit policy by instituting disconnections on customers with arrear accounts. The municipality is in a process of converting all domestic metres from conventional to prepaid metres.  <b><u>Responsible Official</u></b> <b>CFO : N Myeni</b> <b>DTS : SF Mchunu</b>  <b><u>Target Date:</u></b> 31 March 2020	<b><u>ACTION TO BE TAKEN</u></b> In progress, monthly electricity losses meetings are being held. Electricity losses are being reported on and monitored monthly.  <b><u>Responsible Official</u></b> <b>CFO : N Myeni</b> <b>DTS : SF Mchunu</b>  <b><u>Target Date:</u></b> 31 March 2020		

## ANNEXURE F: OVERSIGHT REPORT



### MTHONJANENI MUNICIPALITY

### OVERSIGHT REPORT ON 2018/2019 ANNUAL REPORT

#### 4. INTRODUCTION

The Municipal Finance Management Act (MFMA) assigns specific oversight responsibilities to Council in regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role will be to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

#### 5. BACKGROUND

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive Committee and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive Committee. In other words, in exchange for the powers in which Council have delegated to the Executive Committee, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non- performance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight:

- ❖ Approval of budgets;
- ❖ Approval of Budget related policies; and
- ❖ Review of the Annual Report and adoption of the Oversight Report.

## **6. FUNCTIONS OF THE OVERSIGHT COMMITTEE**

The functions of the Oversight Committee are to:

- ❖ Undertake a review and analysis of the Annual Report.
- ❖ Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- ❖ Consider written comments received on the Annual Report from the public consultation process.
- ❖ Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- ❖ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.
- ❖ Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee -and Councillors.

## **4. COMPOSITION OF OVERSIGHT COMMITTEE**

### **4.1 Membership**

The Oversight Committee is a committee of Council established under Section 79 of the Municipal Structures Act, 1998. Section 79, allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

Due to the separation of roles and responsibilities, between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the Oversight Committee.

Oversight Committee is composed of the Municipal Public Accounts Portfolio Committee (MPAC):

- ❖ Cllr M.S. Zulu (Chairperson)
- ❖ Cllr S.P. Buthelezi
- ❖ Cllr N.N. Nzuzo
- ❖ Cllr N.P. Shobede
- ❖ Cllr Z.A. Sibiyi

- ❖ Cllr T.F. Zincume
- ❖ Mr K N Ngubane ( Audit Committee Chairperson)
- ❖ Mr P.P Sibiya ( Municipal Manager )

## 4.2 Authority & Power

The Oversight Committee is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council. Timely notice of all meetings should be given and all meetings held by the Oversight Committee must be open to the public and minutes of the meetings must be submitted to Council meetings.

## 4.3 Meeting Schedule

The 2018/2019 Draft Annual Report submitted to Council at its meeting on 24 January 2020, was referred to the Oversight Committee subject to a few minor enhancements to the Report as per the Executive Committee's recommendation. The community was advised through the Municipal website of the Council meeting held on 24 January 2019 where the Draft Annual Report for 2018/2019 financial year was tabled and also of the availability of the Annual Report and were invited to submit representations on the Report.

There were no members of the community who attended this Council meeting.

The Draft Annual Report was available at the municipal library and all municipal offices and was also submitted to the Auditor-General, Provincial Treasury and the Department of Cooperative Government and Traditional Affairs.

## 6. OVERSIGHT REPORT OF THE MPAC (MUNICIPAL PUBLIC ACCOUNTS COMMITTEE) ON THE ANNUAL REPORT OF MTHONJANENI MUNICIPALITY FOR THE FINANCIAL YEAR 1 JULY 2018 TO 30 JUNE 2019

### INTRODUCTION

The Annual Report is submitted to Council by the Accounting Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals and objectives set by the municipality for the financial year. The Oversight Report is considered to be a report of the Municipal Council reflecting on the Annual Report.

Council is responsible to oversee the performance of the municipality as required by the Constitution, the Municipal Finance Management Act, Act No 56 of 2003 (MFMA), and the Municipal Systems Act. The oversight responsibility of council is particularly important for the process of considering annual reports. In terms of Section 129 (1) of the MFMA, the Council of a municipality must consider the annual report of the municipality and adopt an oversight report containing the council's comments on the annual report.

### BACKGROUND

The Draft 2018/2019 Annual Report was tabled to Council on 24 January 2020, reporting on the Municipality's performance for the period 1 July 2018 until 30 June 2019. By doing so, Council complied with Section 133 of the MFMA that stipulates that the Mayor must table the draft Annual Report in Council within 7 months after the end of the financial year, i.e. by the end of January 2020. Council is legally compelled to engage with and finalize the Annual Report within 9 months after the end of the financial year, which is before 31 March 2020.

Tabling the draft Annual Report signifies the start of the public participation period stipulated in Section 127(5) of the MFMA and Section 21 of the Systems Act. Public comments on the 2018/2019 Annual Report were awaited from the public from 28 January 2020 to 29 February 2020.

The draft Annual Report was placed on Council's website and made available at municipal offices and library at 21 Reinhold Street, Melmoth. Annual Reports were also submitted to the offices of the Auditor-General, Provincial Treasury and the MEC for Local Government.

No public input was received. The draft Annual Report was tabled to the MPAC that acts as Council's Oversight Committee to prepare an Oversight Report on the Annual Report for 2018/2019.

The minutes of the meeting of the MPAC is attached as Annexure B.

The MPAC appointed in terms of sections 33 and 79 of the Municipal Structures Act, 1998 to prepare an Oversight Report to Council before 24 March consists of:

- ❖ Cllr M.S. Zulu (Chairperson)
- ❖ Cllr S.P. Buthelezi
- ❖ Cllr N.N. Nzuza
- ❖ Cllr N.P. Shobede
- ❖ Cllr Z.A. Sibiya
- ❖ Cllr T.F. Zincume
- ❖ Mr K N Ngubane ( Audit Committee Chairperson)
- ❖ Mr P.P Sibiya ( Municipal Manager )

The MPAC has pleasure in submitting this Oversight Report to Council for approval.

#### **1. IDP PROCESS**

The IDP reflects the strategic direction and goals set by Council, and the MPAC is satisfied that the IDP process conformed to statutory requirements with regards to broad-based public participation and consultation through inter alia ward committees, workshops and imbizo's.

#### **2. BUDGETARY PROCESS**

The MPAC is satisfied that the budgetary process, based on and informed by the IDP, conformed to statutory requirements with regards to broad-based public participation and consultation through, amongst others, ward committees, workshops and imbizo's.

#### **3. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PROCESS**

The MPAC is satisfied that a Service Delivery and Budget Implementation Plan (SDBIP), that is the service delivery targets linked to performance contracts for senior management and staff below them, was duly approved by the Executive Mayor.

#### **4. ANNUAL REPORT 2018/2019**

Observations and recommendations:

The MPAC committee made the following observations and recommendations in respect of the Annual Report for the reporting year 1 July 2018 to 30 June 2019:

(i) The Municipality's maintenance budget is still well below the accepted industry norm of **8%**, impacting negatively on the performance, lifespan and effective maintenance of the municipality's assets. It should however be remembered that staff cost is not reflected under maintenance and should this be included in MSCOA, the picture may improve. Council did allocate a greater monetary allocation towards the maintenance budget in the current financial year and this should be continued to ensure that preventative maintenance can be done.

Excellent asset management enabled Council to curb their electricity loss up to 9%. The Municipality should focus on pro-active maintenance that will extend their assets' lifecycle.

(ii) Council's asset management improved by drafting and maintaining an asset register, while preparations were made to ensure the alienation of unused assets.

(iii) Debt collection remains a major challenge, even more so in the Eskom service delivery areas, where there is no formal agreement in place to allow for curbing electricity purchases as a means of collecting outstanding debt. Council should continue their debt collection initiatives and SALGA should be encouraged to put pressure on the relevant National and Provincial Authorities to speed up the conclusion of a service level agreement with Eskom that would allow municipalities to effectively



act on outstanding debt. Outstanding debt in Eskom service delivery areas impacts negatively on the financial sustainability of municipalities such as Mthonjaneni and seeking a solution should be prioritized. That being said the Municipality was able to have a considerable increase in the debtor's balance over a 90 days period

(iv) With the assistance of inter-governmental role players, a long term financial plan for Mthonjaneni Municipality was developed, taking into consideration accurate levies for services, debt collection and controlling mechanisms such as prepaid metering for electricity. This resulted in the first steps being taken to implement corrective tariffs in respect of the sewerage services during the 2018/19 financial year. It is imperative that the Municipality increase its own revenue to meet the objective of sustainability and to become less dependent on third party funding such as grants. The municipality is currently in a favourable financial position.

(v) The Municipality should seek to find a balance between building up a healthy financial reserve against the need for improved service delivery and addressing the existing backlogs within our communities that cannot be addressed through external funding options.

(vi) Mthonjaneni municipality has increased its capital budget to spend from R39 683 million to R 49 423 million in order to address backlog of electricity in some other wards that are within the jurisdiction of Mthonjaneni local municipality and also to address the under budgeting in the admin building project.

(vii) The capital programs of Mthonjaneni municipality is funded from National and Provincial grants and subsidies and from accumulated cash backed reserves that are not committed for any other purposes.

(viii) Though a number of temporary jobs were created under the Expanded Public Works Programme the Municipality can further stimulate their local economy and enhance capital spending by appointing local contractors do undertake certain maintenance or construction projects. This should be investigated by management.

(ix) The Municipality's human resource and capacity constraints must be considered against the inherent risks that these shortages pose within the municipality's operations. The continuous high vacancy rate of critical positions place unfair and unsustainable pressure on existing staff, hamper segregation of duties and responsibilities and undermine accountability and governance.

The risks posed by not having sufficient capacity and resources in Disaster Management and Fire Fighting speaks for itself and cannot be over emphasized. Council should ensure that the inherent risks in human resource vacancies and essential systems and equipment remain at an acceptable level and where not, that those vacancies should be filled and systems and equipment be acquired. It is however noted, that some progress has been made in this respect.

(x) As the Abakus financial system was found non-compliant the municipality had to change to a MSCOA compliant financial accounting system, placing a huge human resource and financial burden on the Municipality. This is a proven risk area that is constantly monitored by Council, management and Provincial and National role-players. The Provincial and National Role Players should however take note of the challenges in this respect and provide support to all municipalities to ensure that they are legally compliant.

(xi) Emphasis should be given to the holistic, equitable and sustainable development of the Municipal area. Spatial Development should not only deal with land use matters such as addressing illegal use of land, but should also support realistic and sustainable development that would bridge the economic and physical divide between North and South in a manner that promotes local economic growth, skills development and job creation while protecting and upholding the precious cultural and historic assets and unique character of our towns and neighbourhoods. The Municipality should prioritize the drafting of a new zoning scheme as well as an integrated human settlement plan, that enhances neighbourhood development and address the infrastructure backlogs in the respective towns.

(xii) Local economic development initiatives should not be restricted to EPWP, CWP and labour intensive projects, but should facilitate catalyst projects such as Agri Parks, the establishment of dried fruit facilities, the fostering of "new wealth" businesses and the strengthening of the social core

through socio-economic and public/private partnerships for example the social lab projects identified in conjunction with the University of Stellenbosch together with the local communities. Whenever such projects are undertaken the necessary goals and objectives, support, training, coaching and control mechanisms should be put in place in order to guarantee success.

(xiii) Speed law enforcement on the R66, that runs through our municipality, and within all residential areas must be strengthened. The Average Speed over Distance cameras do not sufficiently mitigate high speed on the R66 and visible speed law enforcement on the R66 and in all build-up areas must be prioritized to improve road safety. Law enforcement and fine collection did improve significantly during the reporting year after.

(xiv) Refuse removal and management; - phasing out of septic tanks and long drops in the Municipal area; - Master Plans should be developed and/or updated at regular intervals for each part of the Municipality's core services; - fleet management should be prioritised

(xv) The ward committee system is functioning well and all participants are capacitated to ensure that they do possess the necessary skills and knowledge to serve the community. Supporting staff were appointed for the respective ward committees in three out of the four ward committees. There are shortcomings in the understanding of communication channels and the feedback and reporting exercises that may hamper the flow of information and service delivery. Council should therefore revisit their ward committee policy as well as their client service policies and procedures.

(xvi) Though the public participation efforts of the Municipality are commendable, the quarterly feedback meetings to the community must be enforced.

(xvii) Communication remains challenging though a wide array of communication mechanisms is used. When public comment and participation is required, Council must continue to ensure a representative view is obtained and guard against politicking and gate-keeping. It is however true that the Mthonjaneni communities is geographically challenged and very diverse with different communication needs and preferences and that more can still be done in order to reach more of Mthonjaneni Municipality's residents. Dedicated support to this function should be prioritized and the ward committee policy should take cognizance of the respective engagements needs and practices of their communities.

(xviii) Council took the lead in ensuring that their community is kept informed by hosting a one hour radio program on a local radio station, once per quarter. This improved the overall knowledge of the community, supporting citizen capacitation. Other municipalities within the District are now looking to follow this example of Mthonjaneni Municipality.

(xix) As no public comment on the draft Annual Report was received during the commentary phase, Council should in future undertake a road show as part of their feedback meetings to the community where the draft report can be highlighted.

(xx) The unqualified Audit opinion obtained by the Municipality for the reporting period under review is something that Council, management and the community can be very proud of.

(xxi) The MPAC wishes to congratulate Council, Management and staff with their performance in that regard during the reporting year and encourage them to work even harder towards obtaining a clean report in future.

## **5. COMMENTS AND SUBMISSIONS BY THE PUBLIC**

The MPAC noted that no comments were received from the public and find this very disappointing. It is suggested that the Executive Mayor host a road show specifically highlighting the Annual Report content in future instances and that this be done in the second week after the adoption of the draft Annual Report.

**6. RESOLUTIONS TO BE TAKEN BY COUNCIL:** Council, having fully considered the Annual Report 2018/19 Mthonjaneni Municipality and representations thereon, and subject to and with due regard to the observations and suggestions contained in this MPAC Report resolves: (a) To adopt the Mthonjaneni Municipality Oversight Report for 2018/2019 in terms of section 129 of the Municipal Finance Management Act; and (b) To approve the Annual Report 2018/2019 in terms of section 129 of the Municipal Finance Management Act without reservations but with the correction that the unqualified audit status reflected in the Annual Report be changed throughout to reflect their Clean Audit status. (c) That this report with all its annexures be submitted to the Auditor General, the Provincial Treasury and the KZN Department for Local Government and in terms of section 129(2) of the MFMA. (d) That the implementation of measures recommended in section 4 of the Oversight report be investigated. (e) That the 2018/2019 Oversight Report of Mthonjaneni Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the KZN Legislature in terms of Section 132(2) of the MFMA.

Approved as bona fides proof of discussions at the meeting.

### **Reporting**

The department has done a noticeable improvement as far as reporting on financial matters to other stakeholders (e.g. internal departments, provincial, national and other stakeholders), we have achieved almost hundred (100%) percent on reforms as required by National Treasury and compliance departments, this evidenced by relevant circulars informing municipalities on such reporting compliance.

### **Supply Chain Management**

100% MIG spending due to improved supply chain processes and payment of consultants and contractors on time (even lesser than 30 days).

### **Integrated Development Planning (IDP)**

As a local government institution, the Mthonjaneni Municipality has adhered to municipal development policies such as the Municipal Systems Act, which state that all municipalities are obliged to undertake an IDP process to produce IDP's. In doing so, the Municipality has considered the relevant legislative requirements and the IDP Framework Guide during the process.

The 2018/2019 IDP was developed in-house and the Representative Forum Meetings were held at the Municipal Offices and the strategic planning session was held in May. The municipality undertook an intense public participation process through ward committee meetings that were held once a month in all thirteen wards, road shows were held in April where each ward held its own meeting, as well as stakeholder meetings that were conducted for the ratepayers in May. This was done to ensure that the people themselves were active participants in the identification of needs, priorities and strategies for the development of communities. The IDP was adopted on 30 May 2018.

## CONCLUSION

The Oversight Committee commends Council, the Municipal Manager, the Senior Managers and all staff at Mthonjaneni Local Municipality on the strides made towards good governance and encourages the Municipality at large towards the achievement of a clean audit in the current financial year. Emphasis is made on the work to be performed in the areas of supply chain management, planning and reporting on financial and performance information as well as the 2019/ 2020 financial year must target focused attention in this area.

Having performed the following tasks:

- ❖ Reviewed and analysed the Annual Report;
- ❖ Considered comments representations received;
- ❖ Received and considered Council's and the Audit Committee views and comments on the annual financial statements and the performance report; and
- ❖ Prepared the draft Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors;

The Oversight Committee has pleasure in presenting the Oversight Report to Council to consider the following resolutions and then to be forwarded to the relevant Departments and Provincial Legislature:

## RESOLVED TO RECOMMEND

1. That Council having fully considered the Annual Report of the Mthonjaneni Local Municipality for the 2018/ 2019 Financial Year adopts the Oversight Report for the 2018/ 2019 Financial Year.
2. That the Oversight Report and annual Report for 2018/2019 financial year be made public in accordance with Section 129(3) of the Municipal Finance Management (Act 56 of 2003).
3. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.

**SIGNED AT Melmoth ON THIS \_\_\_\_ DAY OF FEBRUARY 2020**

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