

2022/

2023

**MKHAMBATHINI MUNICIPALITY**

**ANNUAL REPORT**

**2022/2023**

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# CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR’S FOREWORD

|  |
| --- |
| I am honoured to present the 2022/2023 Annual Report of the Mkhambathini Municipality. Much is still expected by the community from local government and those expectations continue to be our driving force this financial year and those to come.  The municipality continues engaging with uMgungundlovu District Municipality, Department of Transport, Department of Co-operative Governance and Traditional Affairs and Department of Human Settlements and various other entities, to find ways of addressing backlogs and challenges that we face in ensuring efficient and effective service delivery for all.  The vision of Mkhambathini Municipality is that “By 2030 Mkhambathini Municipality will be the KwaZulu Natal’s mega-hub for industries, tourism and agriculture along the N3 Corridor which provides for a socially cohesive environment.”  Considering the vision of the Municipality, we press on in making financial decisions that will bring us closer to the fulfilment of this vision under trying circumstances such as a limited financial budget allocation, unstable political climate, rising costs of living and a high demand for service delivery. The N3 corridor developments are forging ahead and will prove to be of benefit to employment and other infrastructure developments. We are taking full advantage of the N3 Corridor and are ensuring a conducive environment for investors to come into our area.  Projects undertaken by the municipality took off and some have been completed to the delight of the community:  Projects:  Banqobile Sport Field  Mgwaphuna Access Road  Chibini Access Road  There are three catalytic projects that are confirmed to take off and promise to benefit, development, business and community when implemented, these are the construction of the Camperdown Wastewater Treatment Plant, Development of a New Town (industrial, commercial, and residential projects) and the Nkanyezini Reservoir. We have a responsibility to transform our economy and achieve economic freedom for our citizens.  We continue to respond to the needs of people living on farmlands, who are desperate for access to our services. Much progress has been made with the provision of electricity halls, houses and water.  The municipality has approved an indigent register with an aim of assisting poor households. Through the Expanded Public Works Program (EPWP) we are able to provide temporary employment that is able to bring social relief to many young and old people currently unemployed.  Again, this year we have maintained an unqualified audit finding and we remain committed to improving our performance in the years ahead. We are confident that we will meet the expectations of our stakeholders as we drive the implementation of our long, medium, and short-term strategies. The Council has taken a robust approach in ensuring that all Council Committees remain functional and result driven.  We remain undeterred as a Council and its administration in attaining our vision of having a sustainable, developmental municipality with improved quality of life for its entire people in areas of basic service, social, economic, and environmental development.  \_\_  Cllr N.W Ntombela  His Worship the Mayor |

## COMPONENT B: EXECUTIVE SUMMARY

### MUNICIPAL MANAGER’S OVERVIEW

|  |
| --- |
| **MUNICIPAL MANAGER’S OVERVIEW**  It is my pleasure to share the achievements attained by the municipality during the year under review. This document sets out a clear vision for our future as a municipality which is dominantly rural, rich in agriculture and tourism potential. The N3 is identified in the Spatial Growth and Development Strategy as a provincial corridor in the municipal area.  The Municipality in striving for greater outputs has managed to consolidate and finalize the Annual Financial Statements we consolidated the Annual Performance Report in house without any assistance from consultants. We commend ourselves for maintaining an unqualified audit report finding, this keeps us on track on our goal towards achieving clean audits in coming years. The year signified a turning point for the municipality in several areas of performance, Good Governance, Municipal Transformation and Institutional Development, Basic Service Delivery, Cross -Cutting issues, Local Economic Development, and Financial Viability.  **Strategic Objectives**   * To ensure effective and efficient supply chain management. * Ensure enforcement of sound financial management practices. * Ensure that the budget is spent according to budget projection. * To ensure revenue enhancement * To ensure that the municipal liquidity position is managed at 1:07   It has proved to be a great year with all senior manager’s position filled, this has resulted in the tightening up of processes and allowed for proper leadership and guidance of municipal personnel. A full manager composition allowed us to achieve:   * Continued engagement with Ward constituency. * Ensured functional Public Accounts Committee. * Ensured rapid response to community issues that threaten service delivery. * Transform the municipality into a performance driven institution.   Developments around the N3 Corridor have been high on our agenda, with the intention been to align the municipality to reap the full benefits of development for our small-town Camperdown and surrounding areas, that come with opportunities of employment for many of our community members seeking employment.  There were several areas where remarkable achievement was attained. The Technical Services department has a mandate of implementing infrastructure programs and projects of the municipality. This is in line with the basic services and infrastructure investment priorities. The Technical Services Department through the assistance of Municipal Manager’s office was able to turn around the slow delivery and finalization of projects.  There are three catalytic projects that are confirmed to take off and promise to benefit, development, business and community when implemented, these are the construction of the Camperdown Wastewater Treatment Plant, Development of a New Town (industrial, commercial, and residential projects) and the Nkanyezini Reservoir.  The availability of land for development remains a challenge as most land surrounding the municipality is privately owned and the remainder is in the hands of Ingonyama Trust however the privately owned land within the vicinity of our town is currently being developed for dry port storages.  We would like to thank our Council, our community at large for allowing us to work together with them to fulfil the municipal mandate.    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Mr. S MNGWENGWE  MUNICIPAL MANAGER  *T 1.1.1* |

### MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

**INTRODUCTION TO BACKGROUND DATA**

**BACKGROUND DATA**

**Vision**

“By 2030 Mkhambathini Municipality will be the KwaZulu Natal’s mega-hub for industries, tourism and agriculture along the N3 Corridor which provides for a socially cohesive environment.”

**Mission Statement**

Mkhambathini Municipality commits itself to the following:

• Upholding our leadership vision.

• Working with integrity in an accountable manner towards the upliftment of the community.

• Protecting and enhancing the interest of our clients always.

• Consistently performing our function with transparency honesty and dedication in dealing with clients.

• Responding promptly to the needs of our clients.

• Subscribing to the Batho Pele principles

**Goals and Objectives**

The Mkhambathini Municipality’s IDP adopted a long-term planning perspective, but also present a short to medium term strategic agenda and detailed five-year programme commencing in the 2022/2023 financial year ending in 2026/2027 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle.

1) To create a new town that promotes local economic development.

2) To prioritize the municipality’s catalytic projects which focuses on the wastewater treatment works.

3) To strengthen intergovernmental relations to ensure the resuscitation of the railway network, accelerating the interchange upgrade programme and augment the water storage facility.

4) To develop the municipality’s public transport network.

5) To ensure provision of socio-economic infrastructure that provides for a full range of housing types, educational facilities, and health facilities.

*T 1.2.1*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Population Details** | | | | | | |
|  |  |  |  |  | **Population '000** | |
| **Age** | **Year -1** | | | **Year 0** | | |
| **Male** | **Female** | **Total** | **Male** | **Female** | **Total** |
| Age: 0 - 4 | 4236 | 4327 | 8562 | 4301 | 4396 | 8697 |
| Age: 5 - 9 | 3900 | 3820 | 7720 | 3977 | 3888 | 7865 |
| Age: 10 - 19 | 2882 | 2860 | 5742 | 3583 | 3640 | 7223 |
| Age: 20 - 29 | 3570 | 3497 | 7068 | 6495 | 6452 | 12947 |
| Age: 30 - 39 | 2508 | 2734 | 5242 | 6018 | 6365 | 12383 |
| Age: 40 - 49 | 1626 | 1824 | 3451 | 3531 | 4162 | 7694 |
| Age: 50 - 59 | 993 | 1309 | 2302 | 1028 | 1345 | 2373 |
| Age: 60 - 69 | 517 | 786 | 1302 | 677 | 1116 | 1793 |
| Age: 70+ | 274 | 644 | 918 | 278 | 667 | 945 |
| *Source: Statistics SA T 1.2.2* | | | | | | |

|  |
| --- |
| Our municipality is made up of a total population of 57 075 in 2016, and 54 933 in 2011, with a growth rate of 0.87. The above graph shows that our population is dominated young people, especially between 15 and age 29. This presents the municipality with a focus area to address needs around this group.  The background data is mainly in terms of census 2011 and some of Community Survey 2016 as provided by the Statistic South Africa. |

*T1.2.3*



*T 1.2.*

|  |  |  |
| --- | --- | --- |
| **Overview of Neighbourhoods within Mkhambathini** | | |
| **Settlement Type** | **Households** | **Population** |
| Towns |  |  |
| Camperdown | 1655 | 6896 |
| Umlaas Road |  |  |
| Sub-Total | 1655 | 6896 |
| Townships |  |  |
|  |  |  |
| Sub-Total | 1655 | 6896 |
| Rural settlements |  |  |
| Ward 1 | 2243 | 11462 |
| Ward 2 | 1955 | 10211 |
| Ward 3 | 1655 | 6896 |
| Ward 4 | 3007 | 7068 |
| Ward 5 | 1452 | 8429 |
| Ward 6 | 3052 | 8585 |
| Ward 7 | 1497 | 7275 |
| Sub-Total | 14861 | 59926 |
| Informal settlements |  |  |
|  |  |  |
| Sub-Total | 4762 | 22221 |
| Total | 18171 | 73718 |
|  | *T 1.2.6* | |

|  |  |
| --- | --- |
| **Natural Resources** | |
| **Major Natural Resource** | **Relevance to Community** |
| Nagel Dam | Recreation activities |
| Umlaas River | Water Resource/ resource/ irrigation |
| Umkomaas River | Water Resource/ resource/ irrigation |
| Msunduzi River | Water Resource/ resource/ irrigation |
| Thornlea Dam | Recreation activities, irrigation |
| Table Mountain | Tourism Potential |
| Camperdown Dam | Recreation activities |
| Mpushini | Conservancy |

*T 1.2.7*

**COMMENT ON BACKGROUND DATA:**

**MUNICIPAL FUNCTIONS**

The Municipality has the functions and powers assigned to it in terms of Section 156 and 229 of the Constitution of the Republic of South Africa. The Municipal Structures Act of 1998 makes provision for the division of powers and functions between the district and local municipalities. It assigns the day-to-day service delivery functions to the local municipality.

Whilst the Local Municipality is tasked with the day-to-day delivery, it also coordinates its activities with the district and seeks guidance on issues that affect the delivery of services of a local municipality. The Municipal functions are indicated below:

* *Building Regulations*
* *Storm Water Management Systems in build-up areas.*
* *Trading Regulations.*
* *Billboards and the display of advertisements in public places.*
* *Control of public nuisances.*
* *Street lighting.*
* *Traffic and Parking.*
* *Control of undertakings that sells liquor to the public.*
* *Fences and fencing.*
* *Licensing and control of undertakings that sell food to the public.*
* *Local amenities e.g., halls*
* *Local sports facilities.*
* *Municipal parks and recreation.*
* *Noise pollution.*
* *Public places.*
* *Street trading; and Local Economic Development*
* *Library*

*T 1.2.8*

### SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Although the Mkhambathini Local Municipality has made significant progress in addressing service delivery backlogs and promoting development within its area of jurisdiction, there are still several key development challenges that face the municipal area and its people.

uMgungundlovu District Municipality is the Water Services Authority and the Water Service Provider for the local municipalities. They are responsible for the provision of Water and Sanitation Services. The basic Water Services in Mkhambathini is community standpipes within 200m- 800m radius of all households.

Efficient and adequate supply of water services for domestic consumption and for economic development is an important challenge facing the District Municipality in its capacity as the Water Services Authority. The Umgeni Water Infrastructure Master Plan of 2021 and 2022 indicated that the demand on the Umgeni catchment currently exceeds the available yield. The risk of water restrictions within the next few years is unacceptably high because of the ever-increasing demands on the Umgeni system. The district faces serious water delivery problems and in particular, water supply in the municipality is as follows:

The opportunity for rainwater harvesting as a strategy to improve access to water, especially in rural areas and poorer communities, should be investigated. Local communities can be trained in water harvesting and storage, as well as the treatment of water for domestic purposes. Although alternative water sources are not regarded as sustainable alternatives, it does provide additional options to conventional water supply.

In this respect, the following opportunities are available:

* Recycling of grey water.
* Optimize the re-use of wastewater.
* Supporting subsistence and emerging agriculture (e.g., alternative irrigation supply) and promoting more effective soil erosion control. It should be noted that it is not merely ‘technologies’ which should be applied but also simple and well-known methodologies such as composting, mulching, and the efficient use of water etc.
* Ensuring more effective water demand management (reducing the demand for costly and energy expensive purified water by reducing leakages and promoting more responsible consumer usage by means of mix of penalties and incentives). This is particularly important in the urban areas. Promoting more energy efficient buildings and industry (by means of a mix of increased standards for compliance on new buildings, incentives such as rates rebates, and education and awareness).
* Urban settlements should be supplied with water within the house.

Access to sanitation within Mkhambathini Municipality rural areas is in the form of ventilated improved pit latrines and septic tanks and sewer lines within the Camperdown Town . The Community Survey 2016 is revealing a positive story in the sense that access to sanitation at an RDP Standard has increased from 18.4% in 2011 to 56% in 2016, an increase by 37%. This point to the functionality of intergovernmental relations efforts by the municipality, uMgungundlovu District Municipality and sector departments ensure that all households have access to a dignified sanitation in Mkhambathini Local Municipality.



*T 1.2.9*

COMMENT ON ACCESS TO BASIC SERVICES:

The Constitutional objectives for local government are set in section 152 and are as follows:

• To provide democratic and accountable government of local communities

• To ensure the provision of services to communities in a sustainable manner

• To promote social and economic development

• To promote a safe and healthy environment

• To encourage the involvement of communities and community organisation in matters of Local Government

A central challenge for the municipality has been its viability and ability to build strong departments capable of delivering on the principles of Section 53 of the Constitution which states that:

A municipality must structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community, and to promote the social and economic development of the community and participate in national and provincial development programmes’.

This is in line with the basic services and infrastructure investment priorities. The Technical Services Department through the assistance of municipal manager’s office was able to turn around the slow delivery and finalization of projects. This was done through continuous engagement with our consultants and contractors, as a result the municipality was able to move from a red status to a green status. uMgungundlovu District Municipality has several water and sanitation projects that have been planned for current intervention and implemented for Mkhambathini Local Municipality. Currently, UMDM has no Infrastructure Asset Management Plan and Infrastructure Procurement Strategy. UMDM is in the process of compiling both the Infrastructure Asset Management Plan and the Infrastructure Procurement Strategy.

Furthermore, a planning and development shared service model led by uMngeni Municipality have assisted the municipality in the speedy implementation of the Spatial Planning and Land Use Management Act 16 of 2014.

The background data is mainly in terms of census 2011 and some from the Community Survey 2016 as provided by the Statistic South Africa

### FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The financial services department has been established to address this responsibility. The financial services department comprises the following sub departments: Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.

Annual Financial Statements:

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

The annual financial statements for the financial year 2022/2023 were compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to Auditor-General on the 30 August 2023.

The Mkhambathini Municipality has a clear workable financial plan in line with the Three-year funding model. Furthermore, the municipality is viable and is striving to remains viable, this is assisted by Senior Managers being able to analyse financial reports and identify risks related to municipal spending patterns. The municipality always strives to be realistic in budgeting given its limited revenue streams.

*T 1.4.1*

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Overview: Year 0** | | | |
|  |  |  | **R' 000** |
| **Details** | **Original budget** | **Adjustment Budget** | **Actual** |
| Income: |  |  |  |
| Grants | 101314 | 84759 | 122734 |
| Taxes, Levies and tariffs | 21150 | 22141 | 24208 |
| Other | 12981 | 10492 | 8050 |
| Sub Total | 135445 | 177567 | 158428 |
| *Less:* Expenditure | 142902 | 158325 | 149053 |
| Net Total\* | -7457 | 19242 | 9374 |
| *\* Note: surplus/(deficit)* |  |  | *T 1.4.2* |

COMMENT ON OPERATING RATIOS:

The operating ratios are within the norm and making the municipality financially viable for the 2022/2023 financial year.

*T 1.4.3*

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Capital Expenditure: Year -2 to Year 0** | | | |
|  |  |  | **R'000** |
| **Detail** | **Year -2** | **Year -1** | **Year 0** |
| Original Budget |  |  | 31621 |
| Adjustment Budget | 24381 | 32227 | 49067 |
| Actual |  |  | 59715 |
|  |  | *T 1.4.4* | |



*T 1.4.5*

COMMENT ON CAPITAL EXPENDITURE:

The municipal expenditure has increased from R1 33 252 276 in 2022/2023 adjusted budget to R156 862 415 in 2020/21 financial year draft budget. This represents a 17.7% growth, or a Rand figure of R23 610 139.

Operating expenditure of the Mkhambathini Municipality for 2022/2023 Financial Year (32%) is employee related costs, (27%) contracted services, (30%) other expenditure, (7%) depreciation and impairment of assets and (4%) will be spent on the remuneration for councillors. Given that the National Treasury prescribes a 40% threshold for employee related expenses.

*T 1.4.5.1*

### ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

After having gone through the policy reviews and adopted them in the previous financial year, we are operating smoothly as an organization.

Several training initiatives were undertaken for both internal staff and local youth. This took place within the year under review and some of the training programs will be rolled over in the next financial year.

*T 1.5.1*

### AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2022/2023

Over the years, the municipality has received a positive outcome from the audits that are undertaken by the Office of the Auditor-General per annum. This is evidenced from the unqualified audit opinions that were received for four consecutive years. Mkhambathini Municipality has developed an audit action plan based on the key findings raised and recommendations by the Auditor General.

The municipality has for the last 3 years received an unqualified audit opinion.

Audited Outcomes:

2020/2021- unqualified audit

2021/2022- unqualified audit

2022/2023 - unqualified audit

The audit action plan will be a standing item on the Audit and Performance Audit Committee and MPAC.

*T 1.6.1*

### STATUTORY ANNUAL REPORT PROCESS

| **No.** | **Activity** | **Timeframe** |
| --- | --- | --- |
| 1 | Consideration of next financial year’s Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). |
| 3 | Finalise the 4th quarter Report for previous financial year |
| 4 | Submit draft year 0 Annual Report to Internal Audit and Auditor-General |
| 5 | Municipal entities submit draft annual reports to MM |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report |
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September – October |
| 12 | Municipalities receive and start to address the Auditor General’s comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General’s Report |
| 14 | Audited Annual Report is made public, and representation is invited |
| 15 | Oversight Committee assesses Annual Report |
| 16 | Council adopts Oversight report | December |
| 17 | Oversight report is made public |
| 18 | Oversight report is submitted to relevant provincial councils |
| 19 | Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input | January |
| *T 1.7.1* | | |

COMMENT ON THE ANNUAL REPORT PROCESS:

*The main purpose of this report is to account to MEC for Local Government, Provincial legislature, NCOP, Minister of Cooperative Governance and Traditional Affairs, National Treasury, Auditor-General and to the citizens of South Africa on progress being made by municipalities towards achieving the overall goal of “a better life for all”. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, MSA and the MFA*

*The Assessment Process and the Methodology followed in Compiling the Report*

*According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipalities’ annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the financial statements, for auditing. After adoption of the audited performance report by the municipal council, it must then be submitted to the MEC for Local Government*.

This Annual Report must now be tabled by the end of January 2024 and the Oversight Report must be submitted to the Municipal Council by the end of March 2024.

*T 1.7.1.1*

# CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

To promote accountability to the local community for the decisions made throughout the year by the municipality as per Section 121 (2)(c) of the Municipal Finance Management Act read in conjunction with the Section 18(1)(d) of the Municipal Systems Act, the Municipality must ensure that the relevant governance structures exist and are functional. Both the political and administrative structures of the municipality need to be fully capacitated in terms of numbers and of skills.

In drafting this Annual Report, the intention is not only to comply with relevant legislation but to promote accountability for the decisions that Council undertook in the financial year 2022/2023. Critical to appropriate decision making are mandatory committees that Council should establish, to ensure that the nine characteristics of good governance are adhered to namely: Participation, Rule of Law, Transparency, Responsiveness, Consensus Oriented, Equity & Inclusiveness; Effectiveness and Efficiency, Accountability as well as Sustainability.

The focus of this Chapter is on Governance Structures, Intergovernmental Relations, Public Accountability & Participation as well as Corporate Governance.

*T 2.0.1*

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

*Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.*

To promote accountability to the local community for the decisions made throughout the year by the municipality as per Section 121 (2)(c) of the Municipal Finance Management Act read in conjunction with the Section 18(1)(d) of the Municipal Systems Act, the Municipality must ensure that the relevant governance structures exist and are functional. Both the political and administrative structures of the municipality need to be fully capacitated in terms of numbers and of skills.

*T 2.1.0*

### POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

*Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality*

To promote accountability to the local community for the decisions made throughout the year by the municipality as per Section 121 (2)(c) of the Municipal Finance Management Act read in conjunction with the Section 18(1)(d) of the Municipal Systems Act, the municipality must ensure that the relevant governance structures exist and are functional. Both the political and administrative structures of the municipality need to be fully capacitated in terms of numbers and skills. The Municipality has a total of 14 Councillors comprising of 5 Ward Councillors and 5 Proportional Representatives (PR ‘s). Each of the 7 Wards have fully functional Ward Committees that serve to enhance public participation in municipal affairs.

*T 2.1.1*

|  |  |  |  |
| --- | --- | --- | --- |
| **MAYOR** | **DEPUTY MAYOR** | **SPEAKER** | **EXCO MEMBER** |
|  |  | A person wearing a suit and tie  Description automatically generated |  |
| Cllr N Ntombela (ANC) | Cllr N Maphanga (ANC) | Cllr T. Gwala (ANC) | Cllr. R. Mofokeng (IFP) |
|  | A person in a blue shirt sitting on a table  Description automatically generated |  |  |
| Cllr M. Cele (ANC) | Cllr S Ngidi (ANC) | Cllr N. Maphumulo (ANC) | Cllr. M Lushaba (ANC) |
|  |  |  |  |
| Cllr M. Shandu (ANC) | Cllr L. Lembethe (ANC) | Cllr S. Mdladla (EFF) | Cllr M. Mkhize (IFP) |
| A person looking at the camera  Description automatically generated |  |  |  |
| Cllr Z. Mbambo (EFF) | Cllr M. Ngcongo(DA) |  |  |

COUNCILLORS

The Executive Committee (EXCO) consists of four members, representative of two political parties. The EXCO is the principal structure that governs the municipal operations and as such, convenes monthly. The EXCO makes recommendations to Council emanating from discussions of Council Committees. It should be noted that in the Executive Committee did not sit due to non-availability of members due to Local Government Elections and the requirement for the 1st Council meetings which sat on the 22 and 29 November 2021

*T 2.1.2*

POLITICAL DECISION-TAKING

In terms of Section 152 of the Constitution, the Council has convened to ensure the adoption of the IDP/Budget and Performance Management System Process, the IDP, Budget, Organizational Scorecard, SDBIP, Performance Management related reports and other service delivery related deliberations. It should be noted that 11 meetings were planned for the period under review 1 Special Council meetings was convened, 12 Full Council meetings and 7 EXCO meetings were held.

*T 2.1.3*

### 2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

*Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.*

In drafting this Annual Report, the intention is not only to comply with relevant legislation but to promote accountability for the decisions that Council undertook in the financial year 2022/2023. Critical to appropriate decision making are mandatory committees that each Council should establish to ensure that the nine characteristics of good governance are adhered to namely: Participation, Rule of Law, Transparency, Responsiveness, Consensus Oriented, Equity & Inclusiveness; Effectiveness and Efficiency, Accountability as well as Sustainability.

*T 2.2.1*

|  |  |  |
| --- | --- | --- |
|  | **DESIGNATION** | **FUNCTIONS** |
|  | **Mr. Sanele Mngwengwe**  **Municipal Manager** | The Municipal Manager is the accounting officer of the Municipality, providing leadership on issues of governance. The Municipal manager heads the Municipal Governance and is a Chairperson of Management Committee. He is responsible for the day-to-day management and administration of the municipality. The Municipal Manager operates in terms of the relevant section in the Municipal Structures Act, Municipal Systems Act and the Municipal Finance Management Act. In discharging his responsibilities in the 2022/2023 financial year, the Municipal Manager was assisted by the Management Team**.** |
|  | **Mr. Thokozani Gambu**  **Chief Finance Officer** | The Chief Financial Officer is responsible for managing the financial affairs of the municipality.  The department is responsible for Expenditure Management, Assets, Budgeting, Revenue Management and Supply Chain Management. |

|  |  |  |
| --- | --- | --- |
|  | **Ms. Nonhlanhla Mkhize**  **Director: Community Services** | The Community Services Manager is responsible for the management of several sub-units within the Department namely, HIV/AID Unit, Disaster management Unit, Local Economic Development and Tourism Unit, Youth and Sports Development unit, Motor and Driver Licensing Unit and the  Community Liaison Unit. |
|  | **Mr. Sonwabile Mkhize**  **Director: Technical Services** | The Technical Services Section is entrusted with ensuring that basic services are delivery to the community. This Department consist of unity namely, Planning and Development Unit, Infrastructure Maintenance Unit, Housing Unit and Project Management Unit. |
|  | **Ms. Phumelele Ngubane**  **Director: Corporate Services** | The Admin and Corporate Services section is made of several units namely, Council Support Human Resources Unit, Library Services, Registry Management, ICT, and Security Services Unit. The department is a support unit for all municipality departments. |

## 1COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

*Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.*

The inter-governmental Relations Framework Act (Act No 13 of 2005), requires that all sphere of government coordinate, communicate, align, and integrate service delivery effectively, and to ensure access to services. In this regard Mkhambathini Municipality complies with this provision. Mkhambathini Municipality further participates in the Provincial and District Forums.

These forums provide a platform for engagement on the approval of projects and for coordination and monitoring of expenditure of funded projects.

T 2.3.0

### 2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTER-GOVERNMENTAL STRUCTURES

National government departments deal with municipalities in the context of various sector plans. The information on planned projects by sector departments and the district should inform the multi-year plans. The strategic pronouncements from National and Provincial discussed in the District IGR Structures, where the progress is monitored through the District Command Council.

*T 2.3.1*

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality engaged with and received support from several government departments and organizations. The Provincial Department of Cooperative Governance and Traditional Affairs (CoGTA) worked closely with the performance management unit to support the implementation of Organizational Performance Management and the IDP through the District Technical Advisory Committee (DTAC). The Provincial Treasury continued to support the financial services department on issues relating to Supply Chain Management and day to day financial management.

The Mayor and the Municipal Manager continuously participated in the MUNIMEC.

*T 2.3.2*

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

The municipality believes that if we are honest and open in our everyday dealings and communications with other people, if we always fulfil our commitment and practice trust, tolerance, and respect, only then can we achieve dignity and integrity. Every day of our lives we are faced with choices and easy options that are filled with promises of wealth.

We need to take responsibility for our choices. It is becoming increasingly difficult to stay honest and open, especially considering the ever-changing environment around us. Our obligation is to be true to ourselves and our commitments. In the long run we will achieve more in life than those who sold out their principles for the short-term gain.

We expect people to trust us, and therefore it is up to us to give them the reasons to trust us. Our reputation of today will be based on our actions of the past. Our actions today are the building blocks of our future reputation.

People at our municipality hold dearly specific rich and positive values. Therefore, our employees' commitment to these values is the only single weapon against corruption and fraud.

The Internal Audit Activity assisted in communicating the policy and workshops were conducted. Further to that we have a fraud and corruption phone line 0607120866.

*T 2.3.3*

DISTRICT INTERGOVERNMENTAL STRUCTURES

uMgungundlovu District IGR Structures are in existence and functional. The IGR Structures are chaired by respective Municipal Manages as follows:

*T 2.3.4*

|  |  |
| --- | --- |
| **Cluster** | **Chairperson** |
| Mayors Forum | District Manager |
| Municipal Managers Forum | District Municipal Manager |
| Technical Infrastructure Cluster | Msunduzi Municipal Manager |
| Finance Cluster | Mpofana Municipal Manager |
| Corporate Governance | Mkhambathini Municipal Manager |
| GITOC | Impendle Municipal Manager |
| Corporate and Social Services | Richmond Municipal Manager |
| Community and social Development Cluster (Special Programmes) | Umshwathi Municipal Manager |
| Planning and Development Cluster | uMngeni Municipal Manager |

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

*Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.*

During 2022/2023 financial year, the municipality had seven functional ward committee structures which serve as a conduit between the municipality and the community. Over and above the existence and functioning of ward committees the municipality published its Service Delivery and Budget Implementation Plan on a quarterly basis on the municipal website. This seeks to ensure that the public is continuously informed on the achievement of set goals and targets.

The municipality has installed suggestion boxes at all municipal Wards. This initiative gives the community a platform to raise their needs as well as their suggestions and complaints to the municipality.

The public participation unit has now developed the new client satisfaction questionnaire in two languages IsiZulu and English. After this system was disrupted by the COVD-19, the municipality came up with the system of circulating the client satisfaction questionnaire through ward committee members and ward assistants to obtain as many community opinions as possible.

The Public Participation unit collects the satisfaction questionnaire weekly and discusses whatever issues encountered in the MRRT and ICMS forum meeting.

*T 2.4.0*

### 2.4 PUBLIC MEETINGS

|  |
| --- |
| COMMUNICATION, PARTICIPATION AND FORUMS  The IDP, PMS and Budget process plan for 2022/2023 financial year was approved by Council in August 2022. After the approval of the IDP, PMS and Budget process plan 2022/2023 financial year, a public notice was posted on the municipal website. The process plan reflected the different activities and milestones in terms of the IDP, review, PMS and Budget implementation and monitoring.  During IDP review process a Draft IDP 2022/2023 was made available for public comments and placed at strategic areas within the municipal area of jurisdiction, for members of the public to comment and make suggestions the document was upload on the municipal website and available in the municipal offices for public comments.  *T 2.4.1* |

WARD COMMITTEES

During the 2022/2023 financial year, the municipality had seven functional ward committees which serve as a conduit between the municipality and the community. Ward meetings were held, and the purpose is always to convey issues from community and seek solutions from the municipality or UMDM or provincial stakeholders present. Over and above the existence and functioning of ward committees the municipality published its Service Delivery and Budget Implementation Plan on a quarterly basis on the municipal website. This seeks to ensure that the public is continuously informed on the achievement of set goals and targets.

a) Section 59 of the Municipal Structures Act 2000 stipulates that a ward committee must have such duties and responsibilities as may be delegated to it by the local council,

b) They must assist the ward councillor in identifying conditions, challenges, and the needs of residents,

c) They must spread information in the ward concerning municipal affairs such as budget, community-based planning, integrated development planning, service delivery improvement plan and municipal properties,

d) To receive queries and complaints from ward residents concerning municipal service delivery, communicate it to municipal council and provide feedback to the community on the council response

Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a Ward-by-Ward basis.

*T 2.4.2*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Public Meetings** | | | | | | |
| **Nature and purpose of meeting** | **Date of events** | **Number of Participating Municipal Councillors** | **Number of Participating Municipal Administrators** | **Number of Community members attending** | **Issue addressed (Yes/No)** | **Dates and manner of feedback given to community** |
|  | 18 November 2022  03 December 2022  27 December 2022  23 November 2022  21 November 2022  31 July 2022  13 August 2022  28 May 2023  03 June 2023  07 January 2023 | 1  Cllr. N. Maphumulo | 2 | 65  13  68  56  47  33  107  97  84  41 | Yes | 13/12/2022  23/04/2023  16/11/2023 Mayoral Outreach Programmes (IDP Roadshows)  05/04/2022 Tabling of Draft Budget and Draft Reviewed IDP 2022/2023 |
| 16 October 2022  25 April 2023  09 March 2023 | 1  Cllr. S. Ngidi | 2 | 131  69  31 | Yes | 13/12/2022  23/04/2023  16/11/2023 Mayoral Outreach Programmes (IDP Roadshows) 06/04/2022 Tabling of Draft Budget and Draft Reviewed IDP 2021/22 |
| 07 December 2022  17 October 2022  17 October 2022  13 November 2022  20 November 2022  30 October 2022  25 April 2023  27 April 2023  24 May 2023  25 May 2023  29 May 2023  01 June 2023  04 June 2023  01 May 2023  19 February 2023 | 1  Cllr.N.P. Maphanga | 2 | 42  51  43  49  34  29  88  59  48  136  38  116  123  57  70 | Yes | 13/12/2022  23/04/2023  16/11/2023 Mayoral Outreach Programmes (IDP Roadshows) 07/04/2022 Tabling of Draft Budget and Draft Reviewed IDP 2021/22 |
| 17 September 2022  18 October 2022  27 April 2023  15 January 2023 | 1  Cllr. T.A Gwala | 2 | 39  21  138  22 | Yes | 13/12/2022  23/04/2023  10/11/2023 Mayoral Outreach Programmes (IDP Roadshows) 10/04/2022 Tabling of Draft Budget and Draft Reviewed IDP 2022/2023 |
| 07 July 2022  03 August 2022  13 August 2022  26 September 2022  24 October 2022  10 April 2023  23 January 2023 | 1  Cllr. N.W.Ntombela | 2 | 51  132  36  33  26  36  82 | Yes | 13/12/2022  23/12/2023  16/11/2023 Mayoral Outreach Programmes (IDP Roadshows) 04/05/2022 Tabling of Draft Budget and Draft Reviewed IDP 20222/2023 |
| 11 July 2022  23 July 2022  23 July 2022  04 December 2022  30 May 2023  18 June 2023  12 March 2023 | 1  Cllr. M. Cele | 2 | 70  85  114  45  73  71  60 | Yes | 13/12/2022  23/04/2023  10/11/2023 Mayoral Outreach Programmes (IDP Roadshows) 05/05/2022 Tabling of Draft Budget and Draft Reviewed IDP 2022/2023 |
| 11 July 2022  23 August 2022  25 September 2022  25 September 2022  16 October 2022  26 May 2023  12 March 2023 | 1  Cllr. M.Shandu | 2 | 70  86  50  43  59  52 | Yes | 13/12/2022  23/04/2023  10/11/2023 Mayoral Outreach Programmes (IDP Roadshows)  06/05/2022 Tabling of Draft Budget and Draft Reviewed IDP 2022/2023 |

*T 2.4.3*

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Section 152 (1) (e) of the Constitution of RSA encourages Local Government to involve communities.

and community organisations in matters of Local Government. Section 16 (1) (a) of the Municipal Systems Act encourages Municipalities to create conditions for the local community to participate in the affairs of the Municipality. Public Participation is a process where the participant gains a better understanding of both the issue

and how the other participators see the issue.

It is a structured process where everyone’s contribution is combined to produce a better outcome. All affected participants share their fears, experiences, knowledge, preferences, hopes, opinions and

values.

The participation process becomes successful when it is well planned, well timed, sufficiently staffed and well resourced.

*T 2.4.4*

### 2.5 IDP PARTICIPATION AND ALIGNMENT

|  |  |
| --- | --- |
| **IDP Participation and Alignment Criteria\*** | **Yes/No** |
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| *\* Section 26 Municipal Systems Act 2000* | *T 2.5.1* |

## COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

In general, Corporate Governance is perceived as a normative principle of administrative law, which obliges any institution to perform its functions in a manner that promotes the values of efficiency, non- corruptibility, and responsiveness to civil society. The principle of good governance has also been espoused in the context of the internal operations of both the public and private sector organizations. In this way, corporate decision-making strategies integrate the principle of good governance and ensure that public interests and employees are considered.

Mkhambathini Corporate Governance entails risk management, anti-corruption and fraud risk management, supply chain management, performance management and internal audit which is unpacked below.

*T 2.5.2*

### 2.6 RISK MANAGEMENT

RISK MANAGEMENT

*Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient, and transparent system of risk management.*

Since the adoption of the Municipal Finance Management Act of 2003 Section 62(1) (a), (c (i), which stipulates the following:

• The accounting officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure.

• That the resources of the municipality are used effectively, efficiently, and economically.

• That the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal Control; and

• That the Treasury Regulations issued in terms of the Act infused the public service with a municipal culture, which must add to its emphasis on external sanctions and include stronger internal controls with anticipatory management systems to assess the abuse of power, which is the central principle of risk management.

Section 105 of the MFMA also assigns extensive and similar responsibilities to other officials within the municipality and their respective directorates including to ensure ‘the effective, efficient, economical and transparent use of finance and other resources within that official’s areas of responsibility’ and “the management, including the safeguarding, of the assets and management of liabilities, within that official’s area of responsibility”.

The top 10 risks are identified and is monitored by the accounting officer on a quarterly basis, in the form of risk management meetings.

*T 2.6.1*

### 2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

*Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.*

The municipality is committed to a corruption and fraud free environment. The municipality has developed the Anti-fraud policy to guide the municipality on matters pertaining to fraud, the development of the policy document is an illustration that the municipality does not tolerate fraudulent or corrupt activities whether internal or external to the municipality. The Internal Audit Activity assisted in communicating the policy and workshops were conducted. Further to that we have a fraud and corruption phone line 060 7120 866.

The municipality believes that if we are honest and open in our everyday dealings and communications with other people, if we always fulfil our commitment and practice trust, tolerance, and respect, only then can we achieve dignity and integrity. Every day of our lives we are faced with choices and easy options that are filled with promises of wealth. Make sure our heart and our head agree on the honest choice, however difficult it may be. Remember it is the nature of our environments, which is tempting. We need to take responsibility for our choices. It is becoming increasingly difficult to stay honest and open, especially considering the ever-changing environment around us. Our only obligation in life is to be true to ourselves and our commitments. In the long run we will achieve more in life than those who sold out their principles for the short-term gain.

We expect people to trust us, and therefore it is up to us to give them the reasons to trust us. Our reputation of today will be based on our actions of the past. Our actions today are the building blocks of our future reputation.

People at our municipality hold dearly specific rich and positive values. Therefore, our employees' commitment to these values is the only single weapon against corruption and fraud.

*T 2.7.1*

### 2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

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

The Municipality has a Supply Chain Management Unit, that falls within the Finance Department. The unit is responsible for ensuring that goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, through proper implementation of the SCM policy which is reviewed on a regular basis.

The unit responds to the authorized purchase requisitions from other departments within the municipality using the electronic accounting system called Pastel Evolution. The speedy response to the authorized purchase requisitions where possible is always ensured.

The municipality is striving to empower local businesses and cooperatives to improve our Local Economic Development. The suppliers are rotated in terms of the National Treasury regulations to ensure that everyone is getting equal chance however there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services***.***

*T 2.8.1*

### 2.9 BY-LAWS

COMMENT ON BY-LAWS:

*Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.*

*Mkhambathini has a total of 17 By-Laws that have been tabled and adopted by council. These By-Laws have been gazetted and published in the newspaper and municipal website.*

*There were no newly developed By-Laws introduced or revised during the financial year.*

*T 2.9.1.*

### 2.10 WEBSITES

|  |  |  |
| --- | --- | --- |
| **Municipal Website: Content and Currency of Material** | | |
| **Documents published on the Municipality's / Entity's Website** | **Yes / No** | **Publishing Date** |
| Current annual and adjustments budgets and all budget-related documents | Yes | 25/01/2023 |
| All current budget-related policies | Yes |  |
| The previous annual report (Year -1) | Yes | 30/03/2022 |
| The annual report (Year 0) published/to be published | Yes | 25/01/2024 |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards | Yes | 31/08/2022 |
| All quarterly reports tabled in the council in terms of section 52 (d) during Year 0 | Yes |  |
| *Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.* | | *T 2.10.1* |

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Municipality has a Communication Strategy and a Communication Plan in place. This has assisted in ensuring the speedy communication of municipal programmes and progress to the community. The municipality is continuing to communicate with its community through the municipal website, and social media platforms have been developed such as Facebook and Whatsapp.

*T 2.10.2*

### 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

Customer Satisfaction surveys were done in the 2022/2023 financial year, in all wards.

*T 2.11.1*

COMMENT ON SATISFACTION LEVELS:

The Municipality circulated a customer satisfaction questionnaire. Mayoral imbizos were held to communicate progress on what has been promised by the Council during its budget road shows.

*T 2.11.2*

# CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

This annual report is a comprehensive report on activities throughout the preceding year 2022/2023. The report is intended to give Council and all stakeholders and other interested people information about the activities and financial performance as of 30 June 2023.

The MFMA required the department to prepare and disclose their annual reports, and many require the annual report to be filed at registry. This report will also provide information to be used for audit purpose of this department for the financial year 2022/2023. The performance of the department is detailed in this report per sector.

*T 3.0.1*

## COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

In terms of an approved organogram, Infrastructure and Technical Services department has three units, namely: Project Management, Human Settlement/Building control and Town Planning.

The role of the municipality according to the constitution in section 153 is as follows:

1)Structure and management its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

2)Participate in national and provincial development programmes

Based on the Cooperative Governance principal section 88 of the Municipal Structures Act (Act No. 117 of 1998) stipulates:

(1) A district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other.

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

WATER SERVICES

UMDM prepares all operations and maintenance plans for water and sanitation in consultation with Umngeni Water and District WSDP was last reviewed in 2017 the district is currently in the process of reviewing their WSDP and has an adopted O&M plan. The following map indicates water sources of UMDM which provides for its surrounding municipalities. (UMDM WSDP is still being reviewed)

WATER uMgungundlovu District Municipality is the Water Services Authority and the Water Service Provider for the District. They are responsible for the provision of Water and Sanitation Services within the District. The basic Water Services in Mkhambathini is community standpipes within 200m- 800m radius of all households.

Efficient and adequate supply of water services for domestic consumption and for economic development is an important challenge facing the District Municipality in its capacity as the Water Services Authority. The Umgeni Water Infrastructure Master Plan 2021 and 2022 indicated that the demand on the Umgeni catchment currently exceeds the available yield. The risk of water restrictions within the next few years is unacceptably high because of the ever-increasing demands in the Umgeni system. The district faces serious water delivery problems and particular focus Water supply in the municipality is as follows:

The opportunity for rainwater harvesting as a strategy to improve access to water, especially in rural areas and poorer communities, should be investigated. Local communities can be trained in water harvesting and storage, as well as the treatment of water for domestic purposes. Although alternative water sources are not regarded as sustainable alternatives, it does provide additional options to conventional water supply. In this respect, the following opportunities are available:

1) Recycling of grey water.

2)Optimise the re-use of wastewater.

3)Supporting subsistence and emerging agriculture (e.g., alternative irrigation supply) and promoting more effective soil erosion control. It should be noted that it is not merely ‘technologies’ which should be applied but also simple and well-known methodologies such as composting, mulching, and the efficient use of water etc.

3)Ensuring more effective water demand management (reducing the demand for costly and energy expensive purified water by reducing leakages and promoting more responsible consumer usage by means of mix of penalties and incentives). This is particularly important in the urban areas. Promoting more energy efficient buildings and industry (by means of a mix of increased standards for compliance on new buildings, incentives such as rates rebates, and education and awareness).

4)Urban settlements should be supplies with water within the house.

5)Peri-urban settlements should ideally be supplied with water on site or at least within a 200m from each household.

*T 3.1.1*



*T 3.1.2*

COMMENT ON WATER USE BY SECTOR:

The Municipality is not a water services authority uMgungundlovu District Municipality is responsible for all water related issues in Mkhambathini. However, all the projects that are related to water services are undertaken by UMDM and are communicated through IGR Structures and Economic Sector, Investment & Infrastructure Development Subcluster which is chaired by the district and progress reports are tabled to council on a continuous basis.

Reference to uMgungundlovu District Municipality’s IDP for water development plans.

T *3.1.3*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Water Service Delivery Levels** | | | | |
| **Households** | | | | |
| **Description** | **Year -3** | **Year -2** | **Year -1** | **Year 0** |
| **Actual** | **Actual** | **Actual** | **Actual** |
|  | **No.** | **No.** | **No.** | **No.** |
| ***Water:* (above min level)** |  |  |  |  |
| Piped water inside dwelling |  | 1428 | 1428 | 1428 |
| Piped water inside yard (but not in dwelling) |  | 5730 | 5730 | 5730 |
| Using public tap (within 200m from dwelling ) |  | 2592 | 2592 | 2592 |
| Other water supply (within 200m) |  | 86 | 86 | 86 |
| *Minimum Service Level and Above sub-total* | – | 10 | 10 | 9836 |
| *Minimum Service Level and Above Percentage* |  | 64% | 64% |  |
| ***Water:* (below min level)** |  |  |  |  |
| Using public tap (more than 200m from dwelling) |  |  |  |  |
| Other water supply (more than 200m from dwelling |  | 2592 | 2592 | 2592 |
| No water supply |  |  |  |  |
| *Below Minimum Service Level sub-total* | – | 3 | 3 | 5039 |
| *Below Minimum Service Level Percentage* |  | 17% | 17% | 33% |
| **Total number of households\*** | 15460 | 15460 | 15460 | 15460 |
| *\* - To include informal settlements* |  |  | *T 3.1.4* | |

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

UMDM prepares all Operations and Maintenance plan for water and sanitation consultation with Umngeni Water and District WSDP and has an adopted O&M plan.

However, all the projects that are related to water services are undertaken by UMDM.

uMgungundlovu District Municipality has several upgrade water and sanitation projects that have been planned for current intervention this Financial Year for Mkhambathini as laid out in our IDP document:

Manyavu Community Water Supply Scheme.

Nkanyezini Community Water Supply Scheme.

Manzamnyama Community Water Scheme.

Maqongqo Community Water Scheme.

*T 3.1.5*

### 3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The sanitation services are provided by uMgungundlovu District Municipality and there are two options the septic tank system utilized in Camperdown areas and Ventilated Pit Improved Latrines (VIP) in rural areas.

backlog is estimated at 905 which equates to 14 438 households. Planning and implementation of sanitation projects should be based on settlements clusters and be integrated with the initiative towards the transformation of rural villages into sustainable human settlements. Spatial planning standards that should apply to sanitation projects include the following:

1)Settlements located within 100m from wetlands, or a river should be provided with lined VIPs.

2)Priority should be given to settlements located within priority environmental areas.

3)Urban settlements should be provided with water borne sewer, where possible.

4)Rural settlements should be developed with either lined VIPs or other septic tanks.

5)Alternative forms of sanitation should be investigated. Greater use of alternative and improved waste management (both sewage and solid waste by means of increased recycling, biogas capture and utilization and other responses).

*Information provided as per census 2016.*

*T 3.2.1*

*T 3.2.2*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sanitation Service Delivery Levels** | | | | |
| **\*Households** | | | | |
| **Description** | **Year -3** | **Year -2** | **Year -1** | **Year 0** |
| **Outcome** | **Outcome** | **Outcome** | **Actual** |
|  | **No.** | **No.** | **No.** | **No.** |
| ***Sanitation/sewerage:* (above minimum level)** |  |  |  |  |
| Flush toilet (connected to sewerage) | 450 | 450 | 450 | 450 |
| Flush toilet (with septic tank) | 1344 | 1344 | 1344 | 1344 |
| Chemical toilet | 97 | 97 | 97 | 97 |
| Pit toilet (ventilated) | 4669 | 4669 | 4669 | 4669 |
| Other toilet provisions (above mi. Service level) | 51 | 51 | 51 | 51 |
| *Minimum Service Level and Above sub-total* | 7 | 7 | 7 | 7 |
| *Minimum Service Level and Above Percentage* | 42,8% | 42,8% | 42,8% | 42,8% |
| ***Sanitation/sewerage:* (below minimum level)** |  |  |  |  |
| Bucket toilet | 8 | 8 | 8 | 8 |
| Other toilet provisions (below mi. Service level) | 51 | 51 | 51 | 51 |
| No toilet provisions | 826 | 826 | 826 | 826 |
| *Below Minimum Service Level sub-total* | 1 | 1 | 1 | 1 |
| *Below Minimum Service Level Percentage* | 5,7% | 5,7% | 5,7% | 5,7% |
| **Total households** | **15460** | **15460** | **15460** | **15460** |
| ***\*Total number of households including informal settlements*** | | | | *3.2.3* |

***DISTRICT WATER AND WASTEWATER WORKS***

***Mkhambathini Upgrading of Manyavu Community Water Supply Scheme***

*Construction R65,145,903.20*

***Mkhambathini Upgrade Nkanyezi Community Water Supply Scheme***

*Construction R96,913,319.65*

***Mkhambathini Upgrade Manzamnyama Community Water Supply Scheme***

*Construction R63,801,487.13*

***Mkhambathini Maqongqo Community Water Supply Scheme Phase 5***

*Construction R19,116,346.37*

***Mkhambathini iThala Valley Community Water Supply Scheme COVID 19***

*Design stage R 12 844 746,70*

Information provided by uMgungundlovu District Municipality, water projects.

*T 3.2.4*

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The sanitation backlog is estimated at 905 which equates to 14 438 households. The Mkhambathini Municipality still faces sanitation backlogs with 36% of the residents serviced below the average service level. Planning and implementation of sanitation projects should be based on settlements clusters and be integrated with the initiative towards the transformation of rural villages into sustainable human settlements.

*Source: IDP 2022/2023*

*T 3.2.5*

### ELECTRICITY

INTRODUCTION TO ELECTRICITY

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

The main supplier of electricity in Mkhambathini is Eskom. However, the project implementation is undertaken by the municipality through the Department of Energy’s funding. Once the infrastructure is completed it is handed over to Eskom who take full ownership of the service. There is a clear concentration of available electricity networks for commercial farming activities in the central parts of the municipality and a general shortage of infrastructure in the south.

Thus, households in more remote less densely settled areas operate on an off-grid basis and still depend on wood, gas and paraffin for lighting and heating requirements.

*.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Electricity Service Delivery Levels** | | | | |
| **Households** | | | | |
| **Description** | **Year -3** | **Year -2** | **Year -1** | **Year 0** |
| **Actual** | **Actual** | **Actual** | **Actual** |
| **No.** | **No.** | **No.** | **No.** |
| ***Energy:* (above minimum level)** |  |  |  |  |
| Electricity (at least min. Service level) | 13 | 13 | 13 | 13 |
| Electricity - prepaid (min. service level) | 381 | 381 | 381 | 381 |
| *Minimum Service Level and Above sub-total* | 14 | 14 | 14 | 14 |
| *Minimum Service Level and Above Percentage* | 102,8% | 102,8% | 102,8% | 102,8% |
| **Total number of households** | 15460 | 15460 | 15460 | 15460 |
|  |  |  | *T 3.3.1* | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Electricity Service Policy Objectives Taken From IDP** | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | | **Year 1** |
|  | **Target** | **Actual** | **Target** | | **Actual** | **Target** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | **(vi)** | **(vii)** | **(viii)** |
| **Service Objective xxx** | | | | | | | |
| To ensure the integrated electrification development project within the municipality | Ezinembeni Electrification | New | New | New | 343 | 0 | - |
| Mkhambathini Electrification | New | New | New | 78 | 0 |  |
| Nkanyezini-Mboyi | New | New | New | 292 | 149 | - |
| Mgwenya-gulube Electrification | New | New | New | 343 | 0 | - |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA*  *2000 chapter 5 sets out the purpose and character of integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.3.5* | | | | | | | |

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Considering the energy crisis facing the country, the following alternative sources of energy, which are more environmentally sustainable, and which could be considered in the area, are indicated below:

1) Improving household living conditions and livelihoods through the facilitation or provision of a range of alternative forms of energy at the household level, mainly in areas, which are off the main Eskom grid. Amongst the recommended technologies are small photovoltaic systems, small wind turbines, safer and more efficient cookers such as gel fuel, and more efficient and sustainable use of wood fuel.

2) Solar energy for individual household lighting, as well as within social facilities (e.g., schools) and at emerging service nodes.

3) Solar water heating utilising the subsidy provided by government for individual household, as well as within social facilities (e.g., schools) and at emerging service nodes.

4) Wind generated power, although the establishment costs are high.

5) Small scale hydro-electric systems, although costly for establishment.

T *3.3.3*

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The Council of Mkhambathini Municipality adopted the Integrated Waste Management Plan (IWMP). The plan details the municipality’s current waste management and disposal status as well as detailed plan of how the municipality intends to ensure a cleaner and safer environment through progressive waste management strategies. This plan also includes the financial implications related to this service. implementation process is currently under way. The IWMP is part of the Municipality’s IDP.

The population growth and dynamics in various wards have resulted in increased waste levels and thus a rise in illegal dump sites. This has propelled the need for a more strategic review that considers green economy projects that will assist in waste minimisation. The Department of Environmental Affairs has also greatly contributed to ensuring that the final plan speaks to the solid waste requirements and demand of the Mkhambathini Municipal area. The IWMP is part of the current IDP review.

Refuse disposal is critical in creating an enabling and safe environment for every resident of the municipality. As such, according to the Census of 2011, it indicates that 5.5% benefit from the local authority refuse removal and disposal while the 2001 Census indicates 5.2%. The Census of 2011 is in comparison with the Census 2016 which indicates an increase in the collection of refuse which is collected by the local municipality.

The graph below details the refuse disposal statistics as per the census of 2011.

*T 3.4.1*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Solid Waste Service Delivery Levels** | | | | |
|  |  |  | **Households** | |
| **Description** | **Year -3** | **Year -2** | **Year -1** | **Year 0** |
| **Actual** | **Actual** | **Actual** | **Actual** |
|  | **No.** | **No.** | **No.** | **No.** |
| ***Solid Waste Removal:* (Minimum level)** |  |  |  |  |
| Removed at least once a week | 480 | 410 | 410 | 396 |
| *Minimum Service Level and Above sub-total* | 0 | 0 | 0 | 0 |
| *Minimum Service Level and Above percentage* |  |  |  |  |
| ***Solid Waste Removal:* (Below minimum level)** |  |  |  |  |
| Removed less frequently than once a week | 0 | 0 | 0 | 0 |
| Using communal refuse dump | 1 | 1 | 1 | 1 |
| Using own refuse dump | 12 | 12 | 12 | 12 |
| Other rubbish disposal | 0 | 0 | 0 | 0 |
| No rubbish disposal | 1 | 1 | 1 | 1 |
| *Below Minimum Service Level sub-total* |  | 14 | 14 |  |
| *Below Minimum Service Level percentage* | 0,0% | 91,6% | 91,6% | 0,0% |
| **Total number of households** | 15460 | 15460 | 15460 | 15460 |
|  |  |  | *T 3.4.2* | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Removed by local**  **authority/private**  **company/community**  **members at least once a**  **week** | **Removed by local**  **authority/private**  **company/community**  **members less often than**  **once a week** | **Communal refuse dump** | **Communal container/central**  **collection point** | **Own refuse dump** | **Dump or leave rubbish**  **anywhere (no rubbish**  **disposal)** | **Other** | **Total** |
| 1 302 | 407 | 555 | 0 | 12 398 | 768 | 29 | 15 460 |

*T 3.4.3*

SOURCE OF INFORMATION: KZN Community Survey 2016.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **The Employees: Solid Waste Management Services** | | | | | |
|  | **Year -1** |  |  | **Year 0** |  |
| **Job Level** | **Employee No** | **Post No** | **Employee No** | **Vacancies** | **Vacancies (as a**  **% of total** |
| 0-3 | 14 | N/A | 14 | 0 | N/A |
| 4-6 | 4 | N/A | 4 | 0 | N/A |
| 7-9 | 0 | N/A | N/A | 0 | 0% |
| 10-12 | 1 | N/A | 1 | 0 | 0% |
| Total | 19 | 19 | 19 | 0 | 0% |

*T3.4.4*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Waste Management Service Policy Objectives Taken From IDP** | | | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | | **Year 0** | | | **Year 1** | | **Year 2** |
|  | **Target** | **Actual** | **Target** | | | **Actual** | **Target** | | |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | | **\*Current Year** |  | **\*Current Year** | **\*Current Year** | **\*Following Year** |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | | **(vi)** | **(vii)** | **(viii)** | **(ix)** | **(x)** |
| To Ensure a Safe & Healthy Environment | Reduce waste transferred to Landfill through use of ward-based central waste sorting and disposal areas managed through EPWP and CWP Programmes | Less than 572 Tons | 533.61tons | N/A | | 686 Tons | 707.54 Tons | N/A | N/A | N/A |
| Reporting on the Clean-up Campaigns conducted as per the Municipality's Integrated Waste Management Plan | 16 | 22 | N/A | | 4 | 4 | 6 | 6 | N/A |
| Reporting on the number of households with access to basic level of solid waste removal | 4 | 4 | N/A | | 4 | 4 | 407 households | 407 households | N/A |
|  |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* | | | | | | | | | | *T 3.4.6* |  |

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Currently, the Mkhambathini Municipality only provides weekly waste removal to wards 3, 4 and 6 (407 households and CBD Shopping Centre) as these are the only areas billable for the services (these include urban areas, CBD and farms). There is currently an active collection schedule detailing days and collection points per day.

Wards 1, 2, 5 and 7 are predominantly rural/ Ingonyama Trust Board land with households that are not billable for the services. As such, the municipality does not provide weekly collection services to these areas.

However, the municipality has ongoing programmes to increase the focus on waste minimisation in rural areas and address the challenge of the extremely escalated illegal waste dump. These include clean up campaigns, education and training in the community and schools and EPWP projects by the municipality and various government departments.

Furthermore, to enhance the cleaning and waste collection efforts, the municipality continues to install waste litter bins and cages that will help contain the waste and avoid the surge of illegal dump sites.

The municipality has been very successful in introducing recycling projects to encourage separation of waste at source and enhance the green economy programmes. There are waste pickers that have been absorbed to help enhance their business efforts (transporting their waste) while they assist with waste sorting.

The municipality has various EPWP projects aimed at waste management, include enhanced recycling initiatives.

The municipality is currently exploring strategies of sorting and separating waste for recycling purposes, (this includes separation at sources) with the aim of reducing waste disposed of at the landfill site.

*T 3.4.7*

### 3.5 HOUSING

INTRODUCTION TO HOUSING

The provision of housing is the mandate of the Provincial Department of Human Settlement (DHS) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges, and resolving them with local stakeholders like members of Ward Committees, Councillors and Traditional leaders. Disputes over ownership, illegal transfer and occupation, illegal connection of electricity and water in various projects. According to Census 2011/2016 identifies the housing projects that are at planning stages to be at 250 units and Portjie has 500 units. Estimated housing backlogs are at 6733. These include 6269 dwelling units within tribal areas and 464 units in the urban areas.

SOURCE: KZN Community Survey 2016.

*T 3.5.1*

|  |  |  |  |
| --- | --- | --- | --- |
| **Percentage of households with access to basic housing** | | | |
| **Year end** | **Total households  (including in formal and informal settlements)** | **Households in formal settlements** | **Percentage of HHs in formal settlements** |
| Year -3 | 15460 | 9648 | 62,4% |
| Year -2 | 15460 | 9648 | 62,4% |
| Year -1 | 15460 | 9648 | 62,4% |
| Year 0 | 15460 | 9648 | 62,4% |
|  |  |  | *T 3.5.2* |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Housing Service Policy Objectives Taken From IDP** | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year 0** | | **Year 1** | | |
|  | **Target** | **Actual** | **Target** | | **Actual** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | **(vi)** | **(vii)** |
| **Service Objective xxx** | | | | | | |
| To ensure integrated housing development within the municipality | Number of reports submitted to portfolio committee | 4 reports | 4 reports | 4 reports | 4 reports | 4 reports |
| Number of quarterly Housing Meetings Held with developers and Department of Human Settlement | 4 reports | 2 reports | 4 reports | 4 reports | 2 reports |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role*  *.* | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Housing Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| Total | 1 | 1 | 1 | 0 | 0% |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.5.3* | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Capital Expenditure Year 0: Housing Services** | | | | | |
| **R' 000** | | | | | |
| **Capital Projects** | **Year 0** | | | | |
| **Budget** | **Adjustment  Budget** | **Actual Expenditure** | **Variance from original budget** | **Total Project Value** |
| Maqongqo | R30 509 015.00 | R2 610 581.55 | R39 163 559.98 | R12 101 566.55 | R42 610 581.55 |
| KwaMahleka | R35871530.00 | R42206903.88 | R32951899.44 | R6337353.88 | R42208903.88 |
| KwaNjobokazi | R33828561.07 | R37767370.19 | R16190588.82 | R3938809.12 | R37767370.19 |
| Mkhambathini Ward 7 phase 1 | R 64147395,00 | R 311 899,68 | R63207633,68 | R 0,00 | R 64459294,68 |
| Mkhambathini Ward 7 Phase 2 | R 43961220,07 | R 0,00 | R 5 183894,61 | R 0,00 | R 38 777325,46 |
| Mkhambathini OSS 100 | R 8 564 000,00 | R 1 951 051,00 | R 9 400123,82 | R 0,00 | R 10685051,00 |
| Mkhambathini OSS 26 | R 2 828 732,40 | R 526 703,58 | R 1 719555,68 | R 0,00 | R 3 355 435,98 |

T 3.5.4

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The provision of housing is the mandate of the Provincial Department of Human Settlement (DHS) and the municipality plays an active role in the coordination of the housing development projects by making land available for such development, providing lists of beneficiaries, identifying challenges, and resolving them with local stakeholders like Ward Committees and Traditional leaders. Majority of the backlog challenges are within tribal authority areas.

T *3.5.5*

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The provision of free basic social services by local government is part of the broader social agenda and anti-poverty strategy of the South African government. Government at all levels has a constitutional obligation to take measures towards the realisation of the social and economic rights of all people as contained in the Bill of Rights. These rights include, inter alia health care, water, education, housing, food, social security, and the environment. Mkhambathini Municipality Indigent register.

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality’s Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

The Free Basic Services is funded through the equitable share which is received from National Government. There are currently 300 households who are registered as indigents in 2017 but that database is reviewed on an annual basis for ensuring that the Municipality cover all affected families. *T 3.5.6*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Free Basic Service Policy Objectives Taken From IDP** | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | | | **Year 1** |
|  | **Target** | **Actual** | **Target** | | **Actual** |  | |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** | |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | **(vi)** | **(vii)** | **(viii)** | |
| **Service Objective xxx** | | | | | | | | |
| To ensure provision of free Basic Services for indigent residents of Mkhambathini Municipality | Number of quarterly social relief reports submitted to portfolio committee | 4 | 4 | 4 | 4 | 4 | 4 | |
| Number of reports on the number of households earning less than R1,100 a month with access to free basic Electricity | 4 | 4 | 4 | 4 | 4 | 4 | |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role*  *. T 3.5.7* | | | | | | | | |

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Mkhambathini Municipality has developed the Indigent policy which informs the municipality’s indigent register in line with government legislative framework. The policy covers all rural and urban areas under the jurisdiction of Mkhambathini municipality in KwaZulu-Natal, where indigent members of the community have been identified and registered.

The municipality only provides free basic electricity to the indigent, which is 300.

The social package stipulated in the policy is as follows: Social relief packs upon death or disaster in the family and pauper burials for unknown deceased and refuse collection to informal settlements***.***

*T 3.5.8*

## COMPONENT B: ROAD TRANSPORT

This component includes roads; transport; and wastewater (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

The primary transport route within the municipality is the N3 Route that traverses Mkhambathini and links Durban to the east with Pietermaritzburg and ultimately the Gauteng Highveld to the west and north-west. Road access and freight map shows that most households in the Mkhambathini Municipality enjoy access to roads at less than 1km. There are several provincial roads spread relatively evenly throughout the municipal area, improving the accessibility of most settlements and households in the municipality. Many households are also serviced through lower order, district or local, roads.

*T 3.5.9*

### 3.7 ROADS

INTRODUCTION TO ROADS

The municipal road projects were identified during the Mayoral Izimbizo’ s wherein they were prioritized and included in the IDP as a planning tool. The Municipality as part of its initiative to fast-track service delivery, roads were designed and were included in the MIG as commitment for the three (3) year cycle.

The Municipality was able to finalize all the roads that were prioritized within the stipulated time frame.

*T 3.7.1*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Gravel Road Infrastructure** | | | | |
|  |  |  |  | **Kilometres** |
|  | **Total gravel roads** | **New gravel roads constructed** | **Gravel roads upgraded to tar** | **Gravel roads graded/maintained** |
| Year -1 | Mgwaphuna Access Road of 3,5 kms  Makhokhoba Access Road /Bridge of 0,5  Jilafohlo Access Road of 4,5 kms  Mgwaphuna Access Road of 1,5 kms | Mgwaphuna Access Road of 3,5 kms  Makhokhoba Access Road /Bridge of 0,5  Jilafohlo Access Road of 4,5 kms  Mgwaphuna Access Road of 1,5 kms) |  |  |
|  | **Roads Maintained** |  |  |  |
|  | Ophokweni Access Road of 2,5kms  Mboyi Access Road of 1,7kms  Qedazulu Access Road of 1,2kms    F 1503 Access Road  Mantugwini Access Road of 1km | Ophokweni Access Road of 2,5kms  Mboyi Access Road of 1,7kms  Qedazulu Access Road of 1,2kms    F 1503 Access Road  Mantugwini Access Road of 1km |  |  |
|  |  |  |  | *T 3.7.2* |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Cost of Construction/Maintenance** | | | | | | |
| **R' 000** | | | | | | |
|  | **Gravel** | | | **Tar** | | |
| **New** | **Gravel - Tar** | **Maintained** | **New** | **Re-worked** | **Maintained** |
| Year -2 | 1.2km | 0 | 3.6km | 0 | 0 | 0 |
| Year -1 | 10 km | 0 | 3,6km | 0 | 0 | 0 |
| Year 0 |  |  |  |  |  |  |
|  |  |  |  |  |  | *T 3.7.3* |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Road Service Policy Objectives Taken From IDP** | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | |
|  | **Target** | **Actual** | **Target** | |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |
| To ensure the provision, upgrade and construction of infrastructure and services that enhance socio economic development within the municipality | Mgwaphuna Access Road of 3,5 kms |  | New |  | 100% |
| Makhokhoba Access Road /Bridge of 0,5 |  | New |  | 65% |
| Jilafohlo Access Road of 4,5 kms |  | 100% |  | 80% |
|  | Chibini Access Road |  | New |  | 60% |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T3.7.4* | | | | | |

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The primary transport route within the municipality is the N3 Route that traverses Mkhambathini and links Durban to the east with Pietermaritzburg and ultimately the Gauteng Highveld to the west and north-west. Road Access and Freight map shows that most households in the Mkhambathini Municipality enjoy access to roads at less than 1km. There are several provincial roads spread relatively evenly throughout the municipal area, improving the accessibility of most settlements and households in the municipality. Many households are also serviced through lower order, district or local, roads.

*T 3.7.5*

### 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & dRIVERS LICENSE RENEWALS

INTRODUCTION TO TRANSPORT

The Municipality is not responsible for public transport. The community relies on private mini-bus taxis and privately owned bus services, we are a vehicle licensing agent for the Department of Transport.

We issue learner licenses, driver’s license renewals and vehicle license discs.

*T 3.8.1*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Transport Service Policy Objectives Taken From IDP** | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year 0** | | **Year -1** | | | | |
|  | **Target** | **Actual** | **Target** | | | |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** | **Achieved / Not Achieved** | **Reason for Variance** |
| Revenue generated Through learners licensing | Amount of revenue Generated Through learners and Driver's licensing | R4,8M | R4 869 263 | R4M | R4 869 263 | Achieved |  |
| Revenue generated Through Motor Licensing | Amount of revenue Generated Through Motor Licensing | R2.4M | R3 257 273 | R2.3M | R3 257 273 | Achieved |  |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (I) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.8.2* | | | | | | | | |

COMMENT ON THE PERFORMANCE OF TRANSPORT SERVICES

*The municipality provides* learner licenses, driver’s license renewals and vehicle license discs services, which generates income for the municipality.

*T 3.8.2*

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The road infrastructure does not have a formal storm water drainage except near paved roads which is serviced by the Department of Transport.

*T 3.9.1*

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes Planning and Local Economic Development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The main objective of town planning is to encourage local development which aligns with planning bylaws along with public participation and other processes.

The town planning section processes all development applications and enforces the town planning scheme as required Spatial Planning and Land Use Management Act (act 16 of 2013).

*T 3.9.3*

### 3.10 PLANNING

INTRODUCTION TO PLANNING

The Spatial Development Framework which is a requirement of Municipal Systems Act (act 32 of 2000) outlines the vision for development in the area and the Wall-to-Wall Land Use Scheme which came into effect in June 2020 controls land use rights and encourages investor confidence.

The municipality is ensuring that the bylaws are enforced. Furthermore, the municipality has adopted an indigent policy which seeks to ensure that the municipality provides free basic services***.***

The municipality is approximately 90% rural with the formalized town of Camperdown, which is a service centre to the surrounding areas. The town of Camperdown provides residential, commercial, and administrative functions, while the Umlaas Road area caters to a mix of industrial activities.

The Ingonyama Trust Board owns at least 70% of the area and the remainder is predominantly privately-owned.

*T 3.10.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Applications for Land Use Development** | | | | | | |
| **Detail** | **Formalisation of Townships** | | **Rezoning** | | **Built Environment** | |
| **Year -1** | **Year 0** | **Year -1** | **Year 0** | **Year -1** | **Year 0** |
| Planning application received | 0 | 0 | 4 | 7 | 21 | 31 |
| Determination made in year of receipt | 0 | 0 | 4 | 7 | 15 | 19 |
| Determination made in following year | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications withdrawn | 0 | 0 | 0 | 0 | 0 | 0 |
| Applications outstanding at year end | 0 | 0 | 0 | 0 | 6 | 12 |
|  |  |  |  |  |  | *T 3.10.1* |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Planning Policy Objectives Taken From IDP** | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | |
|  | **Target** | **Actual** | **Target** | |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |
| To ensure spatial development in the entire area of Mkhambathini Municipality | Approval of Spluma application | 100% | 100% | 100% | 100% |
| Number of Reports on SPLUMA applications approved | 100% | 100% | 100% | 100% |
| Number of Reports on SPLUMA applications approved | 100% | 100% | 100% | 100% |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. T3.10.2* | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Planning Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| Total | 2 | 2 | 2 | 0 | 0% |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.10.3* | | | | | |

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Municipality has finalized its review of the Spatial Development Framework (SDF) in collaboration with SANBI who co-founded the project with the municipality. The municipal SDF was approved and adopted by Council and is reviewed annually. The revision of the SDF enabled the preparation of the new SPLUMA compliant Land Use Scheme, which facilitates development.

*T 3.10.4*

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND business regulation and compliance)

INTRODUCTION TO ECONOMIC DEVLOPMENT

The municipality reviewed and adopted the Local Economic Development strategy on 30 June 2022, and this resulted in a positive COGTA assessment score of 4.8% in 2023. The municipality is now in the process of establishing the LED Forum which will address key economic issues and to strengthen the participation in the ESID Sub Cluster. It is to be noted that the revision of the strategy was done internally with the involvement of fundamental stakeholders including EDTEA, COGTA, DARD,UMEDA and uMgungundlovu District Municipal.

The key economic sectors with Mkhambathini Municipality are as follows:

The agricultural sector which has been a cornerstone of the Camperdown region, the larger parts of which were incorporated into the current administrative boundaries of Mkhambathini Municipality, for a very long time. It is one of the matured economic sectors characteristics of the municipality’s economic and industrial bases. Tourism identified as one of the strategic economic sectors in South Africa. It has the inherent potential to positively impact other sectors of the economy including retail and services sectors. The manufacturing sector is the fourth largest sector within the Mkhambathini Municipality in terms of its contribution to employment and economic growth and development objectives. The mining activities within Mkhambathini Municipality are limited to a small but booming business of sand dune mining along the major rivers. Tourism attractions are generally located close to the main roads traversing the municipality. Ownership of the tourism industry tends to be highly concentrated with little involvement by rural communities. Participants at community workshops called for the exploitation of undeveloped tourism potential in the municipality, their involvement in tourism development and related in come generating opportunities, as well as the need for education about the benefits and obligations of tourism.

The approach adopted by the LED strategy is one that ensures that local economic development allows and encourages local people, business, and non-governmental sector to work together to build capacity to ensure achievement of sustainable economic growth and development and bringing economic benefits and improved quality of life for all residents in a municipal space. With the understanding that “Growth” means to get bigger while “Development” means to get better.

The focus of the municipal LED programmes is on providing support to existing businesses to multiply the number of times that a rand is spent in the community. The fundamental thinking is that local purchasing is the primary means of accomplishing this and the result is a more efficient, self-reliant, and economically resilient community. For the 2023/2024 financial year, the LED, Tourism, Arts and Culture division set itself target and programmes to achieve under the following areas:

• SMME development

• Promotion and development of Agriculture

• Tourism development

• Business regulation and compliance

*T 3.11.1*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **COOPERATIVE NAME** | **PROJECT**  **DESCRIPTION** | **CHALLENGES** | **SUPPORT REQUIRED** | **ESTIMATED FIGURE** | **WARD** |
| Isivunosemvelo | Vegetable growing project and is 100% women owned | Education on crop production is the main key challenge | -fencing material  -irrigation system with pipes and pump installation | R150 000 | 2 |
| Zamisa | Vegetable growing (100% owned youth project | Shortage of water in the garden | Fencing material | R70 000 | 4 |
| Gconi | Vegetable growing (Project Functional) | Water shortage and insecticide | Fencing material | R70 000.00 | 4 |
| Nkunzini | Vegetable growing project | Water shortage ad wild animals invading to the garden | Fencing material | R70 000.00 | 7 |
| Izithelo zamandayi | Vegetable growing project | Water shortage, alien plants that need to be removed and wild animals that invade in the garden | Fencing material | R70 000.00 | 7 |

*T.3.11.2*

Under SMME development the following projects were supported:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PROJECT NAME** | **PROJECT DESCRIPTION** | **CHALLENGES** | **SUPPORT RECEIVED** | **ESTIMATED FIGURE** | **WARD** |
| Malondi Msomi Cafe | Internet Café that provide services for coping, faxing, emailing and other admin work | Workind space since still working from home | Photocopying machine, laptop | 120 000 | 1 |
| Catering Project  (Bongiwe Dlamini) | Catering services to the community during weddings, parties etc | Seasonal work as the project provide services as and when requested | Catering working equipment (6 x pots, 3 plate stove, 200 x plates, 200 x glasses, gas cylinder, 200 x side plate, 100 x jugs) | R50 000 | 2 |
| Paultry Project | Project grow chicks to chicken and sell them packaged to the community | Chicken disease | 100 x Chicks, 10 x starter feed, 10 x grower feed, 10 x finisher feed etc | R90 000 | 3 |
| Sbongile Bhengu Clothing and textile project | Clothing and textile project and is 100& owned by women | Agreement to supply nearest schools with uniform | Industrial sewing machine | R50 000 | 4 |
| Salon and Hair Project  Zanele Gasa | Salon that provide hair services to the community | Short of working container as the project operate from home | Salon working equipment ( 2 x hairdryer, 2 x whal hair cutting machine, hair dryers, towels x 20, relaxers x 10, shampoo x 5, conditioners x 5 hair food, sink | R49 000 | 6 |
| Cows Project | The project grow cows and sell them to the community and abattoirs | Feed especially in winter, medication | Fencing material | R100 000 | 7 |
| Mncedisi Mkhize | Exhibited at Ellis House Art building at Johannesburg for 12 months | Rental fees gone up | Rental for 12 months  Working equipment ( drawing pens, charts, paint) | R32 000 | 5 |
| Masikane Paultry project | Project grows chicks to chickens and sell them to the community | Chicken disease and feed is expensive | 100 x Chicks, 10 x starter feed, 10 x grower feed, 10 x finisher feed etc | R90 000 | 5 |

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Local Economic Development role-players within Mkhambathini Municipality are firstly the Municipal Council, Traditional Authorities, all the communities and residents within the seven (7) wards of Mkhambathini, business community, uMgungundlovu District Municipality, investors, uMgungundlovu Development Agency, Government Departments, and government entities (i.e.: Eskom, Umgeni Water)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Local Economic Development Policy Objectives Taken From IDP** | | | | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | |  |  | **Year 0** | | | | |
|  | **Target** | **Actual** | **Achieved / Not Achieved** | **Reason for variance** | **Target** | | **Actual** | **Achieved / Not Achieved** | **Reason for variance** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  |
| To support Municipality's Rural and Agricultural Development initiatives | Number of Agricultural Projects supported in all wards | 70 | 71 | N/A | N/A | N/A | 30 | 30 | Achieved | N/A |
| Number of reports on Livestock and crop Farmers Trained | 4 | 4 | N/A | N/A | N/A | 2 | 1 | Not Achieved | Livestock and crop Farmers training was postponed due to financial constraints which were to be revisited in Q3 after the adjustment budget. |
| Date of LED Forum Launch | 30-Jun-23 | Not achieved | N/A | To ensure the launch of the LED Forum as per the set date | N/A | 30-May-23 | Not Achieved | Not Achieved | The processes for establishment of the LED forum commenced. The subforums were all established and due to technical issues the establishment of the Forum was delayed for clarity. |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role T 3.11.3* | | | | | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Local Economic Development Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| 13 - 15 | 1 | 1 | 1 | 0 |  |
| Total | 2 | 2 | 2 | 0 | 0% |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*    *T 3.11.4* | | | | | |

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Mkhambathini Local Municipality is primarily an agricultural community, followed by manufacturing and tourism that contribute to the employment opportunities of the municipality. The primary agricultural operations undertaken in the municipal area relate to crop cultivation, poultry faming, sugar cane farming and dairy production. In addition to these, a few agro- processing plants also exist e.g., Illovo Sugar (Eston) and Avocados.

The municipality is working closely with the development agency (UMEDA) to ensure that there is no red tape that will hinder the development of emerging farmersand catalytic projects that will create more jobs opportunities and bring development into Mkhambathini i.e. N3 corridor development project (N3 upgrade, airport and smart city). Furthermore, the municipality has created partnerships with the private sector through social labour plans, companies include Afrimat aggregates that has built 2 classrooms at Nobhala High School in ward 3 Nkanyezini and Afrisam that built a Health Post at Nkanyezini.

*T 3.11.5*

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries; community halls; cemeteries and crematoria; child-care; aged care; social programmes.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Community and Social Services includes community halls, cemeteries and childcare facilities and sport facilities and libraries.

*T 3.12*

### 3.12 LIBRARIES; COMMUNITY FACILITIES.

INTRODUCTION TO LIBRARIES; ARCHIEVES; COMMUNITY FACILITIES.

***COMMUNITY HALLS***

The Municipal area has a total of 16 community halls. All these halls are serviced by the Municipality. The major challenge with these facilities is that they are vandalized and cost municipality a fortune to repair. In the financial year under review, the municipality developed the Community Facilities Policy which aims to guide the implementation of a strategy that will assist the municipality to safeguard the public assets.

***CEMETERIES AND CREMATORIA***

Due to lack of land availability, the Mkhambathini municipality does not own municipal cemeteries and crematoria. In some of the tribal authority areas, the community members have burial sites within their family homes (yards). However, the majority uses either Msunduzi Municipality’s Cemeteries or Crematoria, Mophela cemeteries (under eThekwini Municipality) as well as uMshwathi Municipality’s cemeteries.

***CHILD CARE FACILITIES***

As a way of promoting Early Childhood Development (ECD), the municipality has in the past years constructed and handed over 2 ECD centres in wards 1 and 7. In the current financial year, the Municipality handed over the 3 ECD centres in Ward 2 Ward 4 and Ward 7. The Municipality, KZN Treasury and the Department of Social Development donated the following items:

1) Educational materials

2)Cooking Material

3)Toys

4)Blankets and sponges

5)Tables and chairs

***SPORTS DEVELOPMENT***

Sports development is an important part of Mkhambathini’ s youth development. In the financial year under review the following activities were implemented:

1.Active participation of the Mkhambathini Local Sports Confederation Council which was established in July 2017. This structure is made up of the following: netball, football, boxing, basketball, volleyball, indigenous sport games (Khokho, Mlabalaba and Ingqathu), athletics, golden games and people living with disability are also represented.

2. Ward based sports tournaments

3. Annual Mayoral Games and participation in the Annual District Games was held in October 2023.

4. Sports Coaching workshops implemented, and tournaments held will be held in the new financial year.

***YOUTH DEVELOPMENT***

1) . Seven young people are employed as Supervisors in the “My Job My future” EPWP programme.

2. Fourteen (2 per ward) youth participated in the EPWP Social Sector Sport Star programme.

3. Youth of Mkhambathini formed the majority of the 60 EPWP participants. More youth were employed in the Community Work Programme implemented in Mkhambathini.

4. The Annual Career Exhibition for youth in and out of school was held in May and 24 June 2023.

5. The Annual Matric Exam Prayers for Mkhambathini and Mid-Illovo Circuits was held in October 2023.

6. The Annual Mkhambathini Schools Achievement Awards was held in February 2023.

7. The youth development office Coordinates and holds the Youth Council Meetings quarterly.

3.12. ***OTHER PROGRAMMES***

**SPECIAL PROGRAMMES:**

The Special Programs Unit focuses on senior citizens, children, people with disabilities and gender issues. The main purpose of this programme is to ensure social cohesion/ inclusion of those considered as vulnerable groups. The following activities were implemented in the year under review:

**SENIOR CITIZENS**

The Annual Senior Citizens Christmas Celebration was hosted by the mayor. The main purpose of this event is to show the seniors that they are important citizens of the municipality and thank them for their contribution in social cohesion, as most of them look after their grandchildren.

**DISABILITY PROGRAMME**

Mkhambathini municipality has a functional Disability Forum responsible for assisting the municipality to coordinate disability issues. The purpose of the forum is to monitor and ensure mainstreaming of disability in municipal programs in line with the Disability Framework for local government.

It is to be acknowledged that more work still needs to be done to ensure training and development of people living with disabilities and inclusion in all sectors of the economy within the municipal area.

The Annual Disability Imbizo was held in December 2022.

**GENDER PROGRAMME**

The Mkhambathini Municipality hosted Men’s Dialogues in all wards in August 2022 and the Women’s Dialogues in all wards, in May 2023, as part of gender based activities.

**HIV/AIDS PROGRAMME**

Guided by the District as well as the Mkhambathini Municipality’s HIV/AIDS Strategy, the municipality implemented the following activities in the financial year under review:

1.Coordinate and hold life skills, workshops and programmes aimed at reducing teenage pregnancy, substance abuse and HIV/AIDS infections amongst teenagers and youth/any new pandemic.

2.Coordinate and hold a life skills workshops for youth, Parenting workshops for young m others, teenager health mentors and Families Matter Workshops.

**OPERATION SUKUMA SAKHE**

The Operation Sukuma Sakhe programme is a governmental integrated approach to fast tracking service delivery. This programme brings together local and provincial government as well as civil society organizations to bring together their efforts to address social ills such as poverty, crime, HIV/AIDS, food insecurity, drugs, and any other emerging social challenges.

The Mkhambathini municipality has a Local Task Team which meets monthly or quarterly to:

1) Monitor and track delivered integrated services to individuals, households, and communities.

2) Monitor and ensure profiling of households at ward level and build a database of the different services required by communities.

3) Ensure that the required interventions are delivered to communities.

All wards have Community Care Givers (CCGs) and 6 and 7 have Community Development Workers (CDW) who among other things, have the responsibility of ensuring that households are profiled, and that required interventions are reported to the War Rooms for coordination. Only the war room at Ward 3 was functional during the period under review. Other government departments such as DSD, DHA, DOH, Agriculture, DHS and SASSA also attended to households needing their interventions.

**SPORTING FACILITIES:**

The municipality has a total of 15 sports grounds that accommodate different sporting codes. Sports Coaching workshops will be implemented, and tournaments held in the new financial year.

*T3.12.1*

SERVICE STATISTICS FOR LIBRARIES; COMMUNITY FACILITIES &LIBRARY

Mkhambathini Municipality has a total of three libraries and one mobile library. The Camperdown Library [main library] is in Ward 3 within the municipal premises; the Nokuphiwa Modular Library is in Ward 1 Maqongqo area, and the Mobile Library is in Embo Area Ward 7.

The Camperdown Library is operated by 3 staff members [Librarian, Library Assistant and the Cyber cadet].

Library outreach programmes were implemented in quarter 1 and quarter 2.

The Nokuphiwa Modular Library is operated by 5 staff members who are employed on contract basis [Librarian, Library Assistant, Cyber cadet and 2 security guards]. The Embo Mobile Library Unit is operated by one volunteer.

The libraries operate from Monday-Friday 07:45 am-16:15 pm. On Saturdays only the Camperdown Library and the Nokuphiwa Modular Library open from 08:00 am – 12:00pm.

Our library’s operations are funded by the Department of Arts & Culture through an annual grant that is given to the municipality. The municipality signs a Memorandum of Agreement with the Department of Arts & Culture on annual basis. The MOA stipulates how the funds should be distributed amongst the three libraries.

Performance and accessibility of the libraries is measured through monthly reports that are submitted by the librarian on activities, community outreach programs, membership statistics as well as reports on trainings offered by the Cyber cadet.

*T 3.12.2*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 7 - 9 | 5 | 5 | 5 | 0 | 0% |
| 10 - 12 | 3 | 3 | 3 | 0 | 0% |
| Total | 8 | 8 | 8 |  |  |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.12.4* | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other** | | | | | |
| **R'000** | | | | | |
| **Details** | **Year -1** | **Year 0** | | | |
| **Actual** | **Original Budget** | **Adjustment  Budget** | **Actual** | **Variance to Budget** |
| **Total Operational Revenue** |  |  |  |  |  |
| Expenditure: |  |  |  |  |  |
| Employees | 2234 | R2 955 912 | R2 955 912 | R1 855 110 | 0% |
| Repairs and Maintenance |  |  |  |  |  |
| Other |  |  |  |  |  |
| **Total Operational Expenditure** |  |  |  |  |  |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.12.3* |

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES OVERALL:

Our libraries are trying to be accessible to meet the educational, recreational and information needs of the community at large through several programs and activities they are performing. These range from library displays, library information session days, visiting local schools around Mkhambathini, competitions, online student support, access to internet services and trainings for community on usage of computers and internet.

*T 3.12.4*

### 3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

Due to lack of land availability, the Mkhambathini municipality does not own municipal Cemeteries and Crematoria.

*T 3.13.1*

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

In some of the tribal authority areas, the community members have burial sites within their family homes (yards).

*T 3.13.2*

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

Some community members have burial sites within their family homes (yards). However, the majority uses either Msunduzi Municipality’s Cemeteries or Crematoria, Mophela cemeteries (under eThekwini Municipality) as well as uMshwathi Municipality’s.

*T 3.13.3*

### 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

Operation Sukuma Sakhe (OSS) is a Provincial programme that is a call for all public service institutions within KwaZulu Natal to contribute towards poverty alleviation and rebuilding the communities. This programme aims to facilitate provision of Government services to communities and households as early as possible through collaboration and integration of all interventions of the various Government Departments. OSS requires that communities be profiled, and the information gathered to be discussed at ward War Rooms by their field workers and Intervention and interventions thereof is facilitated through the Local Task Team by various relevant stakeholders. At the same time, the special programmes comprise various social projects aimed at socio economic empowerment and support of vulnerable groups.

Furthermore, this business unit is responsible for ensuring that the municipality develops and implements the indigent policy that promotes provision of basic services to less fortunate residents of Mkhambathini Municipality. This business unit focusses on the following vulnerable groups:

• Early Childhood Development

• Senior Citizen

• People with Disability

• Gender (Women & Men)

*T 3.14.1*

SERVICE STATISTICS FOR CHILDCARE

Mkhambathini makes provision of Early Childhood Development Centres within the municipal area as well as the Department of Social Development makes provision of ECD, Youth Centres within the municipal area.

*T 3.14.2*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP** | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | |
|  | **Target** | **Actual** | **Target** | | **Actual** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  |
| To promote the rights of vulnerable groups through various socio-economic development programmes | Number of Quarterly Disability Awareness Campaigns | 4 | 3 | 4 | 4 | 1 |
| Date of “Disability Mayoral Games” | N/A | N/A | N/A | New | 23-Oct-22 |
| Date of disabled persons attending the “Annual Disability Imbizo” | N/A | N/A | N/A | New | 06-Dec-22 |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.14.3* | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Child Care; Aged Care; Social Programmes** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| Total | 1 | 1 | 1 | 0 | 0% |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.14.4* | | | | | |

COMMENT ON THE PERFORMANCE OF CHILDCARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

The Municipality is engaging with service providers to create computer hubs within each Ward. This will assist learners to participate in the information and technology world. This project will be rolled out in terms of private/public partnership programme.

The population of the municipality is faced with a challenge of HIV/AIDS related diseases. A lot has been done to promote awareness of the problem through the office of the Mayor and our HIV/AIDS unit. Several awareness programmes have been rolled out to the community and around Mkhambathini schools.

The Special Programs Unit focuses on senior citizens, children, people with disabilities and gender issues. The main purpose of this programme is to ensure social cohesion/ inclusion of those considered as vulnerable groups.

*T 3.14.5*

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes pollution control, biodiversity, and landscape.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental Protection and Pollution control still rests with uMgungundlovu District Municipality Environmental Health Unit.

*T 3.15*

### 3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The Monitoring is conducted by the provincial Department of Economic Development, Tourism and Environmental Affairs.

*T 3.15.1*

SERVICE STATISTICS FOR POLLUTION CONTROL

The Municipality contributes by providing equipment and staff to address litter and refuse collection. The District Municipality which addresses water and sanitation related matters have engaged with communities in awareness campaigns in partnership with NGO’s and CGOs within the municipality.

*T 3.15.2*

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The District Municipality which addresses water and sanitation related matter have engaged with communities in awareness campaigns in partnership with NGO’s and CGOs within the Municipality.

*T 3.15.3*

### 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Biodiversity and Land Use Project implemented by SANBI in partnership with uMgungundlovu District Municipality is contributing to the mainstreaming of biodiversity into Mkhambathini Local Municipality planning tools.

*T 3.16*

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

SANBI has provided funding to develop/review the Spatial Development Framework (SDF) of Mkhambathini Local Municipality. The project is ongoing. The purpose for this project is to minimize threats to biodiversity through planning that caters for biodiversity.

*T 3.16.1*

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Bio resource units are demarcated areas in which the environmental conditions such as soil, water, vegetation, climate, and terrain are sufficiently like permit uniform recommendations of land use for a given area. It also provides a framework for decision- making regarding the types of crops that can be grown and the expected yields per unit area to be made. Various bio resource units are grouped together to form bio resource groups for an area. This permits easier agricultural planning and allocation of agricultural resources for a given area.

*T 3.16.2*

## COMPONENT F: HEALTH

This component includes clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

*Note: Recent legislation includes the National Health Act 2004.*

The function of delivering health services falls under the provincial Health Department and we support their programmes, through awareness.

The area has 6 clinics operating, within Mkhambathini, as follows:

Maguzu clinic – ward 1

Njabulo Clinic – ward 2

Embo Clinic - ward 7

Baniyena clinic – ward 7

Mkhambathini Mobile – ward 1

Mkhambathini Mobile – ward 2

The population of the Municipality is faced with a challenge of HIV/AIDS related diseases, and social ills, even though this is not unique to the municipality as the whole country is faced with the same challenge. A lot has been done to promote awareness of the problem through the office of the mayor.

The fight against HIV/AIDS is handled in a coordinated manner by government departments and NGO’s. Mkhambathini also participates in Provincial Aids Council and District Aids Council to help provide support and co-ordination of AIDS initiatives. At a local municipal level Aids Forums or Councils provide a good vehicle for expansion and co-ordination of the HIV and AIDS awareness campaigns.

### 3.17 CLINICS

INTRODUCTION TO CLINICS

The municipality does not have its own clinics, but with the assistance of Department of Health, community involvement in AIDS awareness campaigns is crucial where strategies like abstinence, education and other relevant methods are embraced with active participation from councillors, traditional leaders, church leaders, school stakeholders, and sports stake holders.

*T 3.17.*

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL

With the assistance of the Department of Health and the UMDM, several awareness programmes have been rolled out to the community and around Mkhambathini schools.

The municipality has developed an HIV/AIDS strategy. This strategy looks at broad programmes of dealing with pandemic in the greater municipal area in the next five years.

*3.17.1*

### 3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

*Not a municipal function- Department of Health*

*T 3.18.1*

### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

*Not a municipal function- uMgungundlovu District Municipality and Economic Development Tourism and Environmental Affairs.*

*T 3.19.1*

## COMPONENT G: SECURITY AND SAFETY

This component includes police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Mkhambathini Municipality has prioritized the provision of Disaster Management Services in line with the amended Disaster Management Act no 57 of 2002 to ensure prevention and reduction of disaster risks, mitigation of severity of disasters, preparedness for emergencies, rapid response and post-disaster recovery and rehabilitation. The municipality has developed a draft community safety plan that has been by noted by council. The plan has been drafted and the municipality will be assisted by the Department of Community Safety and liaison to assist us to look into safety measures and guidelines of developing a plan which contains the strategic interventions formulated to improve the safety of the community, visitors and those who do business in Mkhambathini Local Municipality

*T 3.20*

### 3.20 POLICE

INTRODUCTION TO POLICE

*This is not a function of the municipality* -SAPS function

The municipality does not perform the security and safety function as it rests with the South African Police Services. We have several police stations within its jurisdiction. The current state is that community members in other areas indicate that the station is not properly servicing them, as there is a lack of resources for the police to perform their jobs.

*T 3.20.1*

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

*This is not a function of the municipality -SAPS function.*

The municipality will coordinate the implementation of this Community Safety Plan, which can only be implemented through a multi- disciplinary approach outlined in the National Crime Prevention Strategy in partnership with Disaster Management Unit of UMDM and Community Safety and Liaison Department.

*T 3.20.2*

### 3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Currently the Disaster management duties are executed by an appointed Disaster Management Officer, assisted by uMgungundlovu District Municipality.

*T 3.21.1*

|  |
| --- |
| Since the municipality has just recently established the Disaster Management Unit, the process of developing essential strategic disaster management documents is still underway. The Municipality’s Disaster Management Plan was reviewed and adopted on 31 May 2023.  *T 3.21.2* |

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The municipality has successfully established a Disaster Management Unit within the Community Services Department, under Protection Services. Currently the unit has one staff member (the Disaster Management Officer) that operates within the municipality’s main premises, with nine ward-based Disaster Management Volunteers.

*T 3.21.3*

### 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Currently the Disaster management duties are executed by one employee, assisted by uMgungundlovu District Municipality.

*T 3.22.1*

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The Mkhambathini Municipality has prioritized the provision of Disaster Management Services in line with the amended Disaster Management Act no 57 of 2002.

•The Constitution of the Republic of South Africa – Chapter 2/3/Schedule 4b

•Disaster Management Act 57 of 2002

•A Policy Framework for Disaster Risk Management in South Africa GN654 of 2006

•Fire Brigade Services Act no 99 of 1987 and regulations

•White Paper on Fire Services Gazette no 43734

•Sendai Framework for Disaster Risk Reduction 2015-2030

To ensure prevention and reduction of disaster risks, mitigation of severity of disasters, preparedness for emergencies, rapid response and post-disaster recovery and rehabilitation

*T 3.22.2*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP** | | | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Service Indicators** | **Year -1** | | **Achieved / Not Achieved** | | **Reason for Variance** | | **Year 0** | |
|  |  | **Target** | **Actual** | **Achieved / Not Achieved** | **Achieved / Not Achieved** | | **Target** | | **Actual** |
| ***Service Indicators*** |  | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  |
| To ensure a functional Disaster Management Unit | Disaster Management Plans Developed and approved | Date of approval of the Disaster Management Plan review | 30-Jun-22 | 29-Jun-22 | Achieved |  | | 29-Jun-22 | Achieved | N/A |
| Date of approval of the Disaster Management Seasonal Sector Plans review | 30-Sep-21 | Not Achieved | Not Achieved | To ensure the Disaster Management Plan is reviewed as per the set target | | 30 September 2022 31 March 2023 | Not achieved | The seasonal plan was prepared and not sent to Council due to the portfolio committee meeting being postponed. (since Council reports start at portfolio meetings) |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role. T 3.22.3* | | | | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 1 | 100% |
| Total | 1 | 1 | 1 | 1 | 100% |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.22.4* | | | | | |

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Since the municipality has just recently established the Disaster Management Unit, the process of developing essential strategic disaster management documents is still underway. The Municipality’s Disaster Management Sector Plan is currently being reviewed and is to be adopted by the end of 2022/23 financial. The current review has considered inclusion of the ecosystem-based disaster risk reduction (EcoDRR) strategy. This is with the view that taking care of the ecosystem, such as the wetlands, forests and rivers will assist in mitigating against natural disasters.

The municipality continues to proactively develop the seasonal Disaster Contingency Plans to ensure proper planning and seasonal disaster prevention..

*T 3.22.5*

## COMPONENT H: SPORT AND RECREATION

This component includes community parks and sports fields.

INTRODUCTION TO SPORT AND RECREATION

Sports development is an important part of Mkhambathini’ s youth development. In the financial year under review the following activities were implemented:

The Mkhambathini Local Sports Confederation Council 2017/2022 was established in July 2017 and is reviewed annually. This structure is made up of the following federations: Netball, Football, Boxing, Basketball, Volleyball,Karate, Athletics, Rugby, Indigenous Games (Khokho, Mlabalaba, Ingqathu, Dibeke and Inkatha), Athletics, Golden games and people living with disability are also represented.

The SALGA games 2022/2023 took place at Amajuba District.

*T 3.23*

### 3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

Sports Stars programme/development is the program that was established to take sports to the community. The programme aimed to uplift sports in the underprivileged areas. Sports Stars are the eyes and the ears of the Sports Development office in the wards. This program has 14 youth participants responsible for training athletes, coaching clinics, refereeing/ umpire and ensuring that there is enough sports equipment for different sports codes within the communities in all 7 Wards.

The municipality has 15 sports fields which are taken care of and fully serviced by the municipality. The municipality also services 9 informal sports fields in the community.

*T 3.23.1*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sport and Recreation Policy Objectives Taken From IDP** | | | | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year 0** | |  |  | **Year 1** | | |  |  |
|  | **Target** | **Actual** | **Achieved/ Not Achieved** | **Reason for Variance** | **Target** | | **Actual** | **Achieved/ Not Achieved** | **Reason for Variance** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  |
| To promote Sports and Recreation | Number of Sports Coaching workshops implemented | 2 | 0 | Not Achieved | The delays in the sports coaching plan were due to the unavailability of the sports confederation. |  |  |  |  |  |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.23.4* | | | | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Sport and Recreation** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 10 - 12 | 1 | 1 | 1 | 0 | 0% |
| Total | 1 | 1 | 1 | 0 |  |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T3.23.5* | | | | | |

## COMPONENT I: CORPORATE POLICY AND OTHER SERVICES

This component includes corporate policy, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY, Etc

The municipality has developed and adopted numerous policies that guide its operations ranging from Human Resource to information and communication technology.

*T 3.24*

### 3.24 EXECUTIVE AND COUNCIL

This component includes Executive office (mayor; councillors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipality has a total of 14 Councillors comprising seven Ward councillors and five Proportional Representatives (PR ‘s). Each of the seven Wards has fully functional ward committees that serve to enhance public participation in municipal affairs.

*T 3.24.1*

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

The Mkhambathini Municipality’s IDP has adopted a long-term planning perspective, but also has a short to medium term strategic agenda and detailed five-year programme commencing in the 2022/2023 financial year ending in 2021/2026 financial year.

This period coincides with the term of office of the incumbent council and aligns with the budget cycle.

A strategic framework which outlines Council’s Long-term vision with specific emphasis on the municipality’s most critical development objectives, action plans entailed in line the Covid-19 priorities and strategies (Development Strategies).

*T 3.24.2*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **The Executive and Council Policy Objectives Taken From IDP** | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | | **Year 1** |
|  | **Target** | **Actual** | **Target** | | **Actual** | **Target** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| To improve functioning of the municipality through oversight committee’s functionality | Coordinate Meetings of EXCO | 11 | 11 | 11 | 11 | 12 | 11 |
| Coordinate Meetings of Council | 11 | 11 | 11 | 11 | 9 | 11 |
| To transform the municipality into a performance driven institution | Date annual report tabled to Council | 31-Jan-22 | 31-Jan-22 | 31-Jan-22 | 31-Jan-23 | 25-Jan-23 | 25-Jan-24 |
| Date of Oversight report adoption by council | 31-Mar-22 | 15-Mar-22 | 15-Mar-22 | 31-Mar-23 | 15-Mar-23 | 31-Mar-24 |
|  |  |  |  |  |  |  |  |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T3.24.3* | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: The Executive and Council** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 4 - 6 | 3 | 3 | 3 | 0 |  |
| 7 - 9 | 11 | 11 | 11 | 0 |  |
| Total | 14 | 14 | 14 | 0 |  |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.24.4* | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance Year 0: The Executive and Council** | | | | | |
| **R'000** | | | | | |
| **Details** | **Year -1** | **Year 0** | | | |
| **Actual** | **Original Budget** | **Adjustment  Budget** | **Actual** | **Variance to Budget** |
| **Total Operational Revenue** |  |  |  |  |  |
| Expenditure: |  |  |  |  |  |
| Employees | 5985 | 6960321 | 6960321 | 6288192 |  |
| Other |  |  |  |  |  |
| **Total Operational Expenditure** |  |  |  |  |  |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.24.5* |

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

In terms of Section 152 of the Constitution, the Council convened to ensure the adoption of the IDP/Budget and Performance Management System Process, the IDP, Budget, Organizational Scorecard, SDBIP, Performance Management related reports and other service delivery related deliberations. It should be noted that 11 meetings were planned for the period under review and five Special Council meetings were convened.

*T 3.24.6*

### 3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The financial services department has been established to address this responsibility. The financial services department comprises the following sub departments: Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.

*T 3.25.1*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Debt Recovery** | | | | | | | |
| **R' 000** | | | | | | | |
| **Details of the types of account raised and recovered** | **Year -1** | | **Year 0** | | | **Year 1** | |
| **Actual for accounts billed in year** | **Proportion of accounts value billed that were collected in the year %** | **Billed in Year** | **Actual for accounts billed in year** | **Proportion of accounts value billed that were collected %** | **Estimated outturn for accounts billed in year** | **Estimated Proportion of accounts billed that were collected %** |
| Property Rates | 17369 | 84% | 19217 | 23937227 | 89% |  |  |
| Refuse | 528 | 91% | 533 | 596060 | 89% |  |  |
| *B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.* | | | | | | | *T 3.25.2* |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Service Policy Objectives Taken From IDP** | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year 0** | | **Year 1** | | | **Year 2** |
|  | **Target** | **Actual** | **Target** | | **Actual** |  |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| To ensure revenue enhancement | Collection: Amount collected / sales raised | 70% | 70% | 70% | 85% | 89% | 89% |
| To ensure enforcement of sound financial management practices | Outstanding service debtors to revenue ratio: Total outstanding service debtors divide by annual revenue from services | 01:10 | 01:10 | 01:10 | 01:10 | 01:10 | 01:10 |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of*  *Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.25.3* | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Financial Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 3 | 3 | 3 | 0 | 0% |
| 13 - 15 | 4 | 4 | 4 | 0 | 0% |
| Total | 9 | 9 | 9 | 0 |  |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.25.4* | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance Year 0: Financial Services** | | | | | |
| **R'000** | | | | | |
| **Details** | **Year -1** | **Year 0** | | | |
| **Actual** | **Original Budget** | **Adjustment  Budget** | **Actual** | **Variance to Budget** |
| **Total Operational Revenue** | 120 | 169124547 | 205186547 | 202505293 | 2% |
| Expenditure: |  |  |  |  |  |
| Employees | 125 | 53083981 | 51412981 | 50814204 | 2% |
| Repairs and Maintenance | 25 | 12300000 | 22666435 | 23338224 | 2% |
| Other | 45 | 76227115 | 103132370 | 89563467 | 2% |
| **Total Operational Expenditure** | 195 | 141611096 | 177211786 | 163715895 | 2% |
| *Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.* | | | | | *T 3.25.5* |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

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

The annual financial statements for the financial year 2022/2023 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to Auditor-General on the 30 August 2022.

*T 3.25.6*

### 3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The HR section delivers a support service to the other departments in the organization. Its primary function is to co-ordinate all HR activities. The primary objective of HR is to render an innovative service that addresses both skills development and an administrative function.

The HR Unit strives to:

1. Empower employees towards maximizing their personal potential and deliver on and exceed organizational requirements.

2. Continuously align the HR Strategy and the IDP, legislative requirements and best practices in HR fields.

3. Promote and practice “Putting people first” equity, fairness, objectivity and

consistency.

3. Committed to professional conduct.

4. Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration.

The HR Unit consists of the following disciplines:

1.Labour Relations, Employment Equity, Employee Wellness & Policies

2. Recruitment, Selection & Contract Management

3. Occupational Health & Safety4. Learning & Development

5. Benefits & Organizational Structure

*T 3.26.1*

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Municipality has an adopted Human Resources Strategy in Place and is supported by the Municipal Workplace Skills Plan which assist the municipality in implementing skills based strategic priorities of the Municipality.

Activities

1. Wellness days

2.Submission of Workplace Skills Plan on 30 April 2023.

3.Internal Bursaries

4.Vacancy rate

5.Individual Performance Management System

Description

1.1 Workplace Skills Plan and Annual Training report was submitted to the LGSETA.

2.1 4 employees were awarded to further their studies at their respective institutions.

3.1 25 employees were registered to study Public Management diploma.

4.1 The total vacancy rate for 2022/2023 was 28%

5.1 Cascading of IPMS to lower levels (all staff)

*T 3.26.2*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Human Resource Services Policy Objectives Taken From IDP** | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | | **Year 1** |
|  | **Target** | **Actual** | **Target** | | **Actual** | **Target** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| To ensure sound human resource management | Number of trainings held on the staff retention policy | New | New | New | 1 | 1 | 1 |
| Number of IPMS implementation reports | New | New | New | 4 | 4 | 4 |
| Signed of attendance registers and monthly reports being monitored | New | New | New | 12 | 12 | 12 |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.26.3* | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Human Resource Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 7 - 9 | 1 | 1 | 1 |  |  |
| 10 - 12 | 2 | 1 | 1 |  |  |
| 13 - 15 | 1 | 1 | 1 |  |  |
| Total | 3 | 3 | 4 |  |  |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T3.26.4* | | | | | |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The administrative structure of the Municipality as approved by the Council has 5 main Departments i.e., Office of the Municipal Manager, which is headed by the Municipal Manager, Department of Finance Services which is headed by the Chief Financial Officer and the Department of Corporate Services, Community Services and Technical Services which are all headed by the Senior Managers.

All the Departmental heads have been appointed in terms of Section 54 of the Municipal Systems Act No 32 of 2000 which they report directly to the Municipal Manager.

The Municipal Vacancy of Mkhambathini Municipality has a total staff complement of 147 employees, of which 36 employees are on contract. The management (section 57 employees) comprises of 2 (two) females and 3 (three) males, all positions have been filled. *T 3.26.5*

### 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communications Technology (ICT) forms part of the Directorate: Corporate Services. The ICT unit is responsible for planning, coordinating, and rendering ICT services to the Municipality to ensure effective and efficient ICT Management in terms of the ICT Strategy and Policies.

The functions of the ICT Unit include:

\*Developing and implementing an ICT Strategy and policies for the municipality

\*Ensure network and telecommunication infrastructure and systems is always accessible

\*Install ICT equipment and appropriate software applications to ensure the availability of services and licensing

\*Maintain ICT systems to ensure the efficient operations of all systems

\*Provide expert advice regarding the acquisitions of maintenance of ICT equipment and systems

\*Providing operations and support services

\*Research, develop and maintain ICT systems

*T 3.27.1*

SERVICE STATISTICS FOR ICT SERVICES

\*Wi-fi Equipment

Wi-Fi-high speed equipment was installed in the Main Municipal building and Town Hall

\*New IT Equipment

Procurement of Tablets and Laptops

\*Functional Helpdesk

System is now used to log IT queries.

\*Disaster Recovery Site

The Site was identified, procurement of equipment is underway.

Virtual Meetings

\*Meetings are conducted on a virtual platform for most of the council committee meetings

Employee Self Service

\*Employees are using an online application to fill in their leave, and to do other Human resource related services

\*Remote working

Employees that are eligible to work remotely are accessing Municipal systems anywhere any time.

*T 3.27.2*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ICT Services Policy Objectives Taken From IDP** | | | | | | | |
| **Service Objectives** | **Outline Service Targets** | **Year -1** | | **Year 0** | | | **Year 1** |
|  | **Target** | **Actual** | **Target** | | **Actual** | **Target** |
| ***Service Indicators*** | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| To ensure effective and efficient ICT Management | Time taken to repair system outage | N/A | N/A | N/A | 12 | 12 |  |
| Cycle time: Time taken to provide customer support or help ticket | N/A | N/A | N/A | 12 | 12 |  |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.27.3* | | | | | | | |



COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The main responsibility of our IT section is to ensure the availability, reliability and integrity of all computer architecture, hardware, software, and networking of computer systems. The IT section does this by providing solutions to all ICT related problems. This component includes Information and Communication Technology (ICT) services.

One of the major highlights in the year under review was the revamp and completion of the municipality’s website which is now operational and easily accessible to all.

The ICT services has an IT governance framework which is implemented through the master systems plan. This plan is aimed at ensuring that the municipality has the necessary system in place to ensure that the municipality’s performance improves.

*T3.27.5*

### 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Section 62 (i) of the MFMA required that the municipality have and maintain and effective, efficient, and transparent system of risk management. The municipality undertook to implement and comply with this section, and this resulted in the development of the Risk Action Plan through a workshop which is held bi-annually with the assistance of Internal Audit

The municipality has in place tender committees to ensure compliance and sound controls over the handling of procurement matters above R200 000. The bid committees are in place and have been reviewed in the 2022/2023 financial year to improve efficiencies within the system and will continue to be reviewed annually.

*T3.28.1*

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Council took a resolution that senior managers take responsibilities of Risk Management Committee, for the committee to add more value the municipality is planning to appoint an external chairperson who will have an independent view on the process. The Committee is functional and reports to the Audit and Performance Management Committee on a quarterly basis.

The performance of the bid committees underpins the provision of services. It is therefore important that the municipality can play close monitoring over the procurement cycle to ensure service delivery targets are met. Each committee is constituted with the right calibre of employees with an intent to ensure the right balance of expertise within the committee system.

In the 2022/2023 the performance against the critical targets set within the SDBIP in relation to the efficiency of committee reflected a slow move between the evaluation committee and the adjudication committee which is mainly due to lack of quorum thus delaying the conclusion of tenders after closure. The bid specification committee performed with efficacy and managed to perform in lesser time than projected in the SDBIP.

*T 3.28.2*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP** | | | | | | |  |
| **Service Objectives** | **Outline Service Targets** | **Year -1** |  | **Year 0** |  |  | **Year 1** |
|  |  | **Target** | **Actual** | **Target** |  | **Actual** | **Target** |
| ***Service Indicators*** |  | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |  | **\*Current Year** |
| To implement and maintain effective enterprise risk management system | Number of risk management Registers Submitted to MM/MANCO | 4 | 4 | 4 | 4 | 4 | 4 |
| To ensure effective and efficient supply chain management system | Convening of BEC within 15 days after the closing date of an advert | 15 days | BEC took longer than 15 days | 15 days | 15 days | Not Achieved | 15 days |
|  | Convening of BAC within 14 working days after the BEC meetings | 14 days | BAC took longer than 14 days | 14 days | 14 days | Not achieved | 14 days |
| *Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. \* 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 1 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*  *T 3.28.2* | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees: Property; Legal; Risk Management; and Procurement Services** | | | | | |
| **Job Level** | **Year -1** | **Year 0** | | | |
| **Employees** | **Posts** | **Employees** | **Vacancies (fulltime equivalents)** | **Vacancies (as a % of total posts)** |
| **No.** | **No.** | **No.** | **No.** | **%** |
| 7 - 9 | 1 | 1 | 1 | 0 | 0 |
| 10 - 12 | 1 | 1 | 1 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 0 |
| *Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as of 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*  *T 3.28.3* | | | | | |

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

The poor performance in the speedy conclusion of tenders was also hampered by the lack of implementation of the procurement plan which will be enhanced during 2022/2023.

The procurement plan is linked to the timeframes set in the SDBIP in finalizing the tender process within stipulated timeframes for the municipality to meet its service delivery commitments as suggested in the SDBIP.

*T 3.28.4*

## COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

*Not functions of the municipality.*

*T 3.29.*

## COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

This component includes Annual Performance Scorecard Report for the current year.

**Refer to Annexure B**

# CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

# (PERFORMANCE REPORT PART II)

INTRODUCTION

To promote accountability to the local community for the decisions made throughout the year by the municipality as per Section 121 (2)(c) of the Municipal Finance Management Act read in conjunction with, Section 18(1)(d) of the Municipal Systems Act. The municipality must ensure that the relevant governance structures exist and are functional. Both the political and administrative structures of the municipality need to be fully capacitated in terms of numbers and of skills.

*T 4.0.1*

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Employees** |  |  |  |  |  |
| **Description** | **Year -1** | **Year 0** |  |  |  |
|  | **Employees** | **Approved Posts** | **Employees** | **Vacancies** | **Vacancies** |
|  | **No.** | **No.** | **No.** | **No.** | **%** |
| Waste Management | 19 | 19 | 19 |  | % |
| Housing | 1 | 1 | 1 |  | % |
| Planning | 2 | 2 | 2 |  | % |
| Local Economic Development | 2 | 2 | 2 |  | % |
| Community & Social Services | 3 | 3 | 3 |  | % |
| Security and Safety | 6 | 6 | 6 |  | % |
| Sport and Recreation | 1 | 1 | 1 |  | % |
| **Totals** | **34** | **34** | **34** | **0** | **–** |
| *Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as of 30 June, as per the approved organogram.* | | | | | *T 4.1.1* |

|  |  |  |  |
| --- | --- | --- | --- |
| **Vacancy Rate: Year 0** |  |  |  |
| **Designations** | **\*Total Approved Posts** | **\*Vacancies (Total time that vacancies exist using fulltime equivalents)** | **\*Vacancies**  **(as a proportion of total posts in each category)** |
|  | **No.** | **No.** | **%** |
| Municipal Manager | 1 | 0 | 0,00 |
| CFO | 1 | 0 | 0,00 |
| Other S57 Managers (excluding Finance Posts) | 4 | 0 | 0,00 |
| Other S57 Managers (Finance posts) | 1 | 0 | 0,00 |
| Senior management: Levels 13-15 (excluding Finance Posts) | 4 | 0 | 0,00 |
| Senior management: Levels 13-15 (Finance posts) | 1 | 0 | 0,00 |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 8 | 0 | 0,00 |
| Highly skilled supervision: levels 9-12 (Finance posts) | 1 | 0 | 0,00 |
| **Total** | **21** | **0** | 0,00 |
| *Note: \*For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g., ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* | | | *T 4.1.2* |

COMMENT ON VACANCIES AND TURNOVER:

Several new appointments were made during the past year. Human Resources reports on vacant posts and the filling thereof monthly at the Corporate Portfolio Committee. Council approved amendments in Recruitment and selection policy.

The Employment Equity Plan (EEP) must be taken into consideration when posts are filled and race classification, gender and disability status must be in line with the goals set for the specific occupational level in which the vacant post falls.

The Employment Equity Report was submitted to Department of Labour by 15 January 2023. The formulation process was done in full consultation with all the stakeholders, including union. A number of awareness sessions were arranged to highlight the importance and purpose of the EEP before it was submitted to the LLF for final approval. Annual “Employment Equity Reports” are submitted to the Department Labour in January of each year to report on progress.

The main challenges regarding the equity profile of the Municipality include:

• The low application rate of candidates meeting the equity profile

*T 4.1.3*

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

MSA 2000 Section 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. The policies have been developed and some reviewed and adopted by the Council.

*T 4.2.0*

### 4.2 POLICIES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **HR Policies and Plans** | | | | |
|  | **Name of Policy** | **Completed** | **Reviewed** | **Date adopted by council or comment on failure to adopt** |
|  |  | **%** | **%** |
| 1 | Affirmative Action | 100% | 100% | 30-Jun-2022 |
| 2 | Attraction and Retention | 100% | 100% | 30-Jun-2022 |
| 3 | Code of Conduct for employees | 100% | 100% | 30-Jun-2022 |
| 4 | Delegations, Authorisation & Responsibility |  |  |  |
| 5 | Disciplinary Code and Procedures |  |  | collective agreement 2015 |
| 6 | Essential Services |  |  |  |
| 7 | Employee Assistance / Wellness | 100% | 100% | 30-Jun-2020 |
| 8 | Employment Equity | 100% | 100% | 30-Jun-2020 |
| 9 | Exit Management | 100% | 100% | 30-Jun-2021 |
| 10 | Grievance Procedures |  |  | collective agreement 2015 |
| 11 | HIV/Aids | 100% | 100% | 30-Jun-2020 |
| 12 | Human Resource and Development | 100% | 100% | 30-Jun-2020 |
| 13 | Information Technology | 100% | 100% | 30-Jun-2021 |
| 14 | Job Evaluation |  |  |  |
| 15 | Leave | 100% | 100% | 30-Jun-2020 |
| 16 | Occupational Health and Safety | 100% | 100% | 30-Jun-2020 |
| 17 | Official Housing |  |  |  |
| 18 | Official Journeys |  |  |  |
| 19 | Official transport to attend Funerals | 100% | 100% | 30-Jun-2021 |
| 20 | Official Working Hours and Overtime |  |  | 30-Jun-2022 |
| 21 | Organisational Rights |  |  |  |
| 22 | Payroll Deductions |  |  |  |
| 23 | Performance Management and Development | 100% | 100% | 30-Jun-2023 |
| 24 | Recruitment, Selection and Appointments | 100% | 100% | 30-Jun-2020 |
| 25 | Remuneration Scales and Allowances |  |  | collective agreement |
| 26 | Resettlement |  |  |  |
| 27 | Sexual Harassment | 100% | 100% | 30 Jun- 2021 |
| 28 | Skills Development | 100% | 100% | 30 Jun 2022 |
| 29 | Smoking |  |  |  |
| 30 | Special Skills |  |  |  |
| 31 | Work Organisation |  |  |  |
| 32 | Uniforms and Protective Clothing | 100% | 100% | 30-May 2022 |
| 33 | Other: |  |  |  |
| *Use name of local policies if different from above and at any other HR policies not listed.* | | | | *T 4.2.1* |

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies have been developed and some reviewed and adopted by the Council *as of 30 June 2022.*

*T 4.2.2*

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Number of days and Cost of Sick Leave (excluding injuries on duty)** | | |  |  |  |  |
| **Salary band** | **Total sick leave** | **Proportion of sick leave without medical certification** | **Employees using sick leave** | **Total employees in post\*** | **\*Average sick leave per Employees** | **Estimated cost** |
|  | **Days** | **%** | **No.** | **No.** | **Days** | **R' 000** |
| Lower skilled (Levels 1-2) | 109 | 30% |  | 37 | 3,64 |  |
| Skilled (Levels 3-5) | 25 | 20% |  | 27 | 0,92 |  |
| Highly skilled production (levels 6-8) | 136 |  |  | 13 | 10,40 |  |
| Highly skilled supervision (levels 9-12) | 26 | 0% |  | 32 | 0,90 |  |
| Senior management (Levels 13-15) | 22 |  |  | 17 | 1,20 |  |
| MM and S57 | 4 |  |  | 5 | 0,80 |  |
| Total | **322** | **17%** | **0** | **131** | 2,46 | **0** |
| *\* - Number of employees in post at the beginning of the year* | | |  |  |  |  |
| *\*Average is calculated by taking sick leave in column 2 divided by total employees in column 5* | | | | |  | *T 4.3.2* |



COMMENT ON INJURY AND SICK LEAVE:

There were no employees’ injuries on duty and non-took sick leave related to injury on duty. There were no suspensions for the period under review.

*T 4.3.4*

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

*There were no cases of financial misconduct and suspensions*.

*T 4.3.5*

### 4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

There were no rewards for the period under review however the municipality is in the process of introducing rewards management to encourage staff performance.

*T 4.4.1.*

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

The council adopted the Human Resources Strategy in 2018, which is a five-year strategy, used as part of the municipal tool for achieving efficient and effective service delivery. The Human Resource strategy will be taken to council for review in June 2022 as there is new Council and will be implemented from July 2022- June 2027.

This Strategy Addresses The Following:

•Planning the municipal workforce in totality.

•Developing a capable and skilled workforce that is striving towards service excellence.

•Setting guidelines to strengthen leadership and develop human capital by attracting, retaining scarce, valued and critically required skills for the municipality. *T 4.5.0*

### 4.5 SKILLS DEVELOPMENT AND TRAINING

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Skills Matrix** | | | | | | | | | | | | | | |
| **Management level** | **Gender** | **Employees in post as at 30 June Year 0** | **Number of skilled employees required and actual as at 30 June Year 0** | | | | | | | | | | | |
| **Learnerships** | | | **Skills programmes & other short courses** | | | **Other forms of training** | | | **Total** | | |
| **No.** | **Actual: End of Year -1** | **Actual: End of Year 0** | **Year 0 Target** | **Actual: End of Year -1** | **Actual: End of Year 0** | **Year 0 Target** | **Actual: End of Year -1** | **Actual: End of Year 0** | **Year 0 Target** | **Actual: End of Year -1** | **Actual: End of Year 0** | **Year 0 Target** |
| MM and s57 | Female | 2 |  |  |  |  |  |  |  |  |  |  |  |  |
| Male | 3 |  |  |  |  |  |  |  |  |  |  |  |  |
| Councillors, senior officials and managers | Female | 4 |  |  |  |  |  |  |  |  |  |  |  |  |
| Male | 10 |  |  |  |  |  |  |  |  |  |  |  |  |
| Technicians and associate professionals\* | Female | 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| Male | 1 |  |  |  |  |  |  |  |  |  |  |  |  |
| Professionals | Female | 8 |  |  |  |  |  |  |  |  |  |  |  |  |
| Male | 6 |  |  |  |  |  |  |  |  |  |  |  |  |
| Sub total | Female | 12 | 0 |  |  |  |  |  |  |  |  |  |  |  |
| Male | 20 |  |  |  |  |  |  |  |  |  |  |  |  |
| Total |  | 67 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *\*Registered with professional Associate Body e.g., CA (SA)*  *T 4.5.1* | | | | | | | | | | | | | |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Financial Competency Development: Progress Report\*** | | | | | | |
| Description | A.  Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B.  Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| **Financial Officials** | 1 | 0 | 1 | 0 | 0 | 0 |
| *Accounting officer* | 1 | 0 | 1 | 0 | 0 | 0 |
| *Chief financial officer* | 1 | 0 | 1 | 0 | 0 | 0 |
| *Senior managers* | 1 | 0 | 1 | 0 | 0 | 0 |
| *Any other financial officials* |  |  |  |  |  |  |
| **Supply Chain Management Officials** | 1 | 0 | 1 | 0 | 0 | 0 |
| *Heads of supply chain management units* | 1 | 0 | 1 | 1 | 1 | 1 |
| *Supply chain management senior managers* | 0 | 0 | 0 | 1 | 1 | 1 |
| **TOTAL** | **6** | **0** | **6** | **2** | **2** | **2** |
| *\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)* | | | | | | *T 4.5.2* |

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality has an obligation in terms of the Skills Development Act, 97 of 1998, to develop its employees by providing training and development opportunities for them. A workplace skills plan (WSP) which outlines the needs with regards to training and skills development was submitted before the due date of 30 April.

*T 4.5.3*

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The biggest challenges facing this function remained the same for the past number of years and include:

• There is a limited internal budget available for training and development**.**

*T 4.5.4*

### 4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

*T4.6.1*

COMMENT ON WORKFORCE EXPENDITURE:

The salaries broken down into three categories that are employee related costs, councillors, and senior managers.

*T 4.6.1.1*

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no posts upgraded.

*T 4.6.5*

DISCLOSURES OF FINANCIAL INTERESTS

Financial disclosures were made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006.

*T 4.6.6*

# CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

* Component A: Statement of Financial Performance
* Component B: Spending Against Capital Budget
* Component C: Other Financial Matters

Mkhambathini Municipality has a clear workable financial plan in line with the Three-year funding model. Furthermore, the municipality is viable and is striving to ensure that it remains viable, this is assisted by Senior Managers being able to analyse financial reports and identify risks related to municipal spending patterns. The municipality always strive to be realistic in budgeting given its limited revenue streams. The Municipal ratio currently is 7:1, this translates that the municipal current assets are 7 times higher than municipal current liabilities which is above the norm of 3:1. This indicative, that should the municipal liabilities be due, the municipality will be in the position to pay them. The indigent register has currently been reviewed by the municipality on an annual basis.

*T 5.0.1*

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at* ***Appendix K****.*

Total operating revenue has decreased by 9 per cent or R 9.2 million for the 2021/22 financial year when compared to the 2020/21 Adjustments Budget. For the two outer years, operational revenue will increase in 2022/23 financial year by R 4.9 million and increase in 2023/24 financial year by R 7.5 million when compared to the 2020/21 financial year.

Debt impairment was budgeted for using gross debtors balance since there municipality debtors’ balance is increasing drastically over the years and the municipality only collects 85% as per the collection rate. This alone is an indication for impairments.

The municipality opted for this rate because there are ongoing engagements with government departments to settle their debts, the engagements have been fruitful. The municipality will be implementing a recently developed debt collection strategy and anticipate a positive spinoff in the collection of outstanding debtors.

*T 5.1.0*

### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **KZN226 Mkhambathini - Table C1 Monthly Budget Statement Summary - M12 June** | | | |  |  |  |  |  | |  | |
| **Description** | **2021/22** | **Budget Year 2022/23** | | | | | | | | | |
| **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Monthly actual** | **YearTD actual** | **YearTD budget** | **YTD variance** | **YTD variance** | | **Full Year Forecast** | |
| **R thousands** |  |  |  |  |  |  |  | **%** | |  | |
| **Financial Performance** |  |  |  |  |  |  |  |  | |  | |
| Property rates | 24 876 | 22 406 | 23 599 | 1 988 | 23 937 | 23 599 | 338 | 1% | | 22 406 | |
| Service charges | 556 | 621 | 621 | 50 | 596 | 621 | (24) | -4% | | 621 | |
| Investment revenue | 2 242 | 1 975 | 3 475 | 2 179 | 3 703 | 3 475 | 227 | 7% | | 1 975 | |
| Transfers and subsidies | 76 559 | 84 194 | 84 694 | (146) | 92 808 | 83 694 | 9 114 | 11% | | 84 194 | |
| Other own revenue | 8 019 | 9 728 | 8 398 | 578 | 7 647 | 8 398 | (751) | -9% | | 9 728 | |
| **Total Revenue (excluding capital transfers and contributions)** | **112 253** | **118 924** | **120 787** | **4 648** | **128 691** | **119 787** | **8 904** | **7%** | | **118 924** | |
| Employee costs | 51 093 | 53 084 | 47 384 | 795 | 47 570 | 47 384 | 186 | 0% | | 53 084 | |
| Remuneration of Councillors | 5 883 | 6 960 | 6 960 | 511 | 6 288 | 6 960 | (672) | -10% | | 6 960 | |
| Depreciation & asset impairment | 11 763 | 11 916 | 12 063 | 987 | 10 960 | 12 063 | (1 103) | -9% | | 11 916 | |
| Finance charges | 1 | – | – | – | 39 | – | 39 | #DIV/0! | | – | |
| Inventory consumed and bulk purchases | 4 222 | 3 640 | 3 447 | 464 | 3 227 | 3 447 | (220) | -6% | | 3 640 | |
| Transfers and subsidies | – | – | – | – | – | – | – |  | | – | |
| Other expenditure | 83 897 | 51 012 | 72 978 | 6 661 | 60 487 | 72 994 | (12 507) | -17% | | 51 012 | |
| **Total Expenditure** | **156 858** | **126 611** | **142 832** | **9 418** | **128 572** | **142 848** | **(14 277)** | **-10%** | | **126 611** | |
| **Surplus/(Deficit)** | **(44 605)** | **(7 687)** | **(22 045)** | **(4 771)** | **120** | **(23 061)** | **23 181** | **-101%** | | **(7 687)** | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 46 175 | 17 781 | 41 881 | 2 609 | 41 881 | 41 881 | – |  | | 17 781 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all) | – | – | – | – | 3 800 | – | 3 800 | #DIV/0! | | – | |
| **Surplus/(Deficit) after capital transfers & contributions** | **1 570** | **10 094** | **19 836** | **(2 162)** | **45 801** | **18 820** | **26 981** | **143%** | | **10 094** | |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – |  | | – | |
| **Surplus/ (Deficit) for the year** | **1 570** | **10 094** | **19 836** | **(2 162)** | **45 801** | **18 820** | **26 981** | **143%** | | **10 094** | |
|  |  |  |  |  |  |  |  |  | |  | |
| **Capital expenditure & funds sources** |  |  |  |  |  |  |  |  | |  | |
| **Capital expenditure** | **44 892** | **12 988** | **30 481** | **4 596** | **30 896** | **30 481** | **416** | **1%** | | **12 988** | |
| Capital transfers recognised | 32 709 | 15 462 | 36 418 | 4 454 | 40 414 | 36 418 | 3 995 | 11% | | 15 462 | |
|  |  |  |  |  |  |  |  |  | |  | |
| Borrowing | – | – | – | – | – | – | – |  | | – | |
| Internally generated funds | **12 182** | **2 500** | **5 041** | **1 548** | **2 535** | **5 041** | **(2 506)** | **-50%** | | **2 500** | |
| **Total sources of capital funds** | **44 892** | **17 962** | **41 459** | **6 002** | **42 948** | **41 459** | **1 489** | **4%** | | **17 962** | |
|  |  |  |  |  |  |  |  |  | |  | |
| **Financial position** |  |  |  |  |  |  |  |  | |  | |
| Total current assets | 59 522 | 82 996 | 76 843 |  | 57 225 |  |  |  | | 82 996 | |
| Total non current assets | 223 285 | 231 369 | 252 824 |  | 259 267 |  |  |  | | 231 369 | |
| Total current liabilities | 35 061 | 56 592 | (6 642) |  | 22 946 |  |  |  | | 56 592 | |
| Total non current liabilities | 4 014 | 5 144 | 7 019 |  | 4 014 |  |  |  | | 5 144 | |
| Community wealth/Equity | **243 732** | **252 630** | **292 370** |  | **289 533** |  |  |  | | **242 535** | |
|  |  |  |  |  |  |  |  |  | |  | |
| **Cash flows** |  |  |  |  |  |  |  |  | |  | |
| Net cash from (used) operating | – | (109 474) | (163 212) | – | – | (163 212) | (163 212) | 100% | | (109 474) | |
| Net cash from (used) investing | 296 188 | (17 962) | (41 459) | (6 002) | (339 136) | (41 459) | 297 677 | -718% | | (17 962) | |
| Net cash from (used) financing | – | – | – | – | – | – | – |  | | – | |
| **Cash/cash equivalents at the month/year end** | **326 392** | **(115 162)** | **(151 430)** | **–** | **(308 932)** | **(151 430)** | **157 503** | **-104%** | | **(97 232)** | |
|  |  |  |  |  |  |  |  |  | |  | |
| **Debtors & creditors analysis** | **0-30 Days** | **31-60 Days** | **61-90 Days** | **91-120 Days** | **121-150 Dys** | **151-180 Dys** | **181 Dys-1 Yr** | **Over 1Yr** | | **Total** | |
| **Debtors Age Analysis** |  |  |  |  |  |  |  |  | |  | |
| Total By Income Source | 2 280 | (44) | 506 | 463 | 859 | (12) | 2 594 | | 28 537 | | 35 184 | |
| **Creditors Age Analysis** |  |  |  |  |  |  |  | |  | |  | |
| Total Creditors | 1 971 | 0 | 7 | 24 | – | – | 0 | | – | | 2 003 | |
|  |  |  |  |  |  |  |  |  | |  | |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  | *T 5.1.2* |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **KZN226 Mkhambathini - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June** | | | | | | | | | | |
| **Description** | **Ref** | **2021/22** | **Budget Year 2022/23** |  |  |  |  |  |  |  |
| **Audited Outcome** | **Original Budget** | **Adjusted Budget** | **Monthly actual** | **YearTD actual** | **YearTD budget** | **YTD variance** | **YTD variance** | **Full Year Forecast** |
| **R thousands** |  |  |  |  |  |  |  |  | **%** |  |
| **EXPENDITURE** |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Operating expenditure of Transfers and Grants** |  |  |  |  |  |  |  |  |  |  |
| **National Government:** |  | **–** | **4 383** | **21 071** | **(146)** | **12 871** | **4 671** | **8 200** | **175,6%** | **4 383** |
| Expanded Public Works Programme Integrated Grant | \_ | – | 1 671 | 1 671 | – | 1 671 | 1 671 | – |  | 1 671 |
| Local Government Financial Management Grant | \_ | – | 2 712 | 3 000 | (146) | 3 000 | 3 000 | – |  | 2 712 |
| Municipal Disaster Recovery Grant | \_ | – | – | 8 200 | – | – | – | – |  | – |
| Municipal Disaster Relief Grant | \_ | – | – | 8 200 | – | 8 200 | – | 8 200 | #DIV/0! | – |
| 0 |  |  |  |  |  |  |  | – |  |  |
| 0 |  |  |  |  |  |  |  | – |  |  |
| Other transfers and grants [insert description] |  |  |  |  |  |  |  | – |  |  |
| **Provincial Government:** |  | **–** | **2 004** | **2 504** | **8 425** | **10 843** | **20 891** | **(10 048)** | **-48,1%** | **2 004** |
| 0 |  |  |  |  |  |  |  | – |  |  |
| KwaZulu-Natal | \_ | – | 2 004 | 2 504 | 8 425 | 10 843 | 20 891 | (10 048) | -48,1% | 2 004 |
| KwaZulu-Natal\_Capacity Building and Other\_Specify (Add grant description)\_Receipts |  |  |  |  |  |  |  | – |  |  |
| KwaZulu-Natal\_Infrastructure\_Specify (Add grant description)\_Receipts |  |  |  |  |  |  |  | – |  |  |
| 0 |  |  |  |  |  |  |  | – |  |  |
| **District Municipality:** |  | **–** | **–** | **–** | **–** | **–** | **–** | – |  | **–** |
| *KwaZulu-Natal-DC 21 - Ugu-Capacity Building and Other* | \_ |  |  |  |  |  |  | – |  |  |
|  |  |  |  |  |  |  |  | – |  |  |
| **Other grant providers:** |  | **–** | **–** | **–** | **–** | **–** | **–** | – |  | **–** |
| **Social Security Payments-Social Relief-Transferred to Revenue/Capital Expenditure** | \_ |  |  |  |  |  |  | – |  |  |
| *[insert description]* |  |  |  |  |  |  |  | – |  |  |
| **Total operating expenditure of Transfers and Grants:** |  | **–** | **6 387** | **23 575** | **8 279** | **23 714** | **25 562** | **(1 848)** | **-7,2%** | **6 387** |
|  |  |  |  |  |  |  |  |  |  |  |
| **Capital expenditure of Transfers and Grants** |  |  |  |  |  |  |  |  |  |  |
| **National Government:** |  | – | 46 110 | 46 781 | 6 190 | 62 264 | 80 462 | (18 198) | **-22,6%** | 46 110 |
| Integrated City Development Grant | \_ | – | – | 14 000 | – | 14 000 | 14 000 | – |  | – |
| Integrated National Electrification Programme Grant | \_ | – | 28 329 | 15 000 | 3 581 | 20 383 | 20 800 | (417) | -2,0% | 28 329 |
| Municipal Infrastructure Grant | \_ | – | 17 781 | 17 781 | 2 609 | 27 881 | 45 662 | (17 781) | -38,9% | 17 781 |
| 0 |  |  |  |  |  |  |  | – |  |  |
| 0 |  |  |  |  |  |  |  | – |  |  |
| Other capital transfers [insert description] |  |  |  |  |  |  |  | – |  |  |
| **Provincial Government:** |  | **–** | **–** | **–** | **–** | **–** | **–** | – |  | **–** |
| **KwaZulu-Natal** | \_ | **–** | **–** | **–** | **–** | **–** |  | – |  |  |
| 0 |  |  |  |  |  |  |  | – |  |  |
| **District Municipality:** |  | **–** | **–** | **–** | **–** | **–** | **3 800** | (3 800) | -100,0% | **–** |
| **KwaZulu-Natal-DC 22 - Umgungundlovu-Capacity Building and Other** | \_ | **–** | **–** | **–** | **–** | **–** | **3 800** | (3 800) | -100,0% | **–** |
| *0* |  |  |  |  |  |  |  | – |  |  |
| **Other grant providers:** |  | **–** | **–** | **–** | **–** | **–** | **–** | – |  | **–** |
| **National Departmental Agencies-Immigrants Selection Board-Transferred to Revenue/Capital Expenditure** | \_ |  | **–** | **–** | **–** | **–** | **–** | – |  | **–** |
| *0* |  |  |  |  |  |  |  | – |  |  |
| **Total capital expenditure of Transfers and Grants** |  | **–** | **46 110** | **46 781** | **6 190** | **62 264** | **84 262** | **(21 998)** | **-26,1%** | **46 110** |
|  |  |  |  |  |  |  |  |  |  |  |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** |  | **–** | **52 497** | **70 356** | **14 469** | **85 978** | **109 824** | **(23 846)** | **-21,7%** | **52 497** |

*T 5.1.3*

COMMENT ON FINANCIAL PERFORMANCE:

In line with best practices the framework for the revenue enhancement strategy, considering the unique requirements of Mkhambathini Municipality comprised a phased approach, with timeframe(s) for the implementation of the strategic interventions. The municipality have developed the revenue enhancement strategy which will be tabled to Council for approval in May 2022 to assist the municipality in implementing the strategies and trying to take advantage of the municipal location including being on the N3 corridor.

*T5.1.4*

### 5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

*Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighbourhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see* ***Appendix L****.*

The ratio assesses the extent of own source revenue to total operating revenue including agency revenue hence self-sufficiency. The ratio measuring own source of revenue will be increased over time as it reflects municipal efforts towards self-sufficiency. The lesser the revenue the more the municipality relies on the grants.

Own Source of Revenue to Total Operating Revenue (including agency revenue)

= Own Source of revenue (Total Revenue - Government Grants and Subsidies - Public Contribution and Donations) / Total Operating Revenue (including agency services) x 100

= R 110,688,000 – R76,559,000 / R110,688,000

=31%

The total operating revenue consist of 69% of the grants which simple means that the municipality depends on grants for the smooth operations of the municipality without grants the municipality might face challenges of meeting its obligations.

*T 5.2.2*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The grant with the most allocation is the Equitable Share which has approximately R70,470,000 for 2021/2022 financial year. It is followed by a Municipal Infrastructure Grant with an allocation of R24,755,000 while the Department of Energy has allocated R18,110,000 for electrification programmes. *T 5.2.4*

### 5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The repairs and maintenance are budgeted for in the municipal budget to accommodate the repair of assets making sure that they run effectively in response to service delivery. The value of the repairs and maintenance budget is determined by the value of assets that the municipality have in the fixed asset register.

*T 5.3.1*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0** | | | | |
| **Asset 1** | | | | |
| Name | Mgwaphuna Phase 2 (Ward 4) | | | |
| Description | Paved Road | | | |
| Asset Type | Road Infrastructure | | | |
| Key Staff Involved | Technical Services |  |  |  |
| Staff Responsibilities | Technical Services |  |  |  |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
|  |  |  | R9 460 756 |
| Capital Implications |  | | | |
| Future Purpose of Asset |  | | | |
| Describe Key Issues | Pot holes | | | |
| Policies in Place to Manage Asset | Asset Management Policy | | | |
| **Asset 2** | | | | |
| Name | Shepstone Street (Ward 3) Road | | | |
| Description | Road | | | |
| Asset Type | Road Infrastructure | | | |
| Key Staff Involved | Technical Services |  |  |  |
| Staff Responsibilities | Technical Services |  |  |  |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
|  |  |  | R8 131 586 |
| Capital Implications |  | | | |
| Future Purpose of Asset |  | | | |
| Describe Key Issues | Maintenance | | | |
| Policies in Place to Manage Asset | Asset Management Policy | | | |
| **Asset 3** | | | | |
| Name | Kwenzokuhle Community Hall (Ward 6) | | | |
| Description | Community Hall | | | |
| Asset Type | Construction | | | |
| Key Staff Involved | Technical Services |  |  |  |
| Staff Responsibilities | Technical Services |  |  |  |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
|  |  |  | R7 426 262 |
| Capital Implications | None | | | |
| Future Purpose of Asset | Basic Service Delivery | | | |
| Describe Key Issues | Construction | | | |
| Policies in Place to Manage Asset | Asset Management Policy | | | |
|  |  |  |  | *T 5.3.2* |

COMMENT ON ASSET MANAGEMENT:

No significant disposals or acquisitions of land or buildings occurred during the period, although work is in progress to the tune of R12 202 million

Accumulated depreciation and impairment totalled R10 761 million during the period, representing just over 10%, with community assets contributing approximately one-third of that amount to the total***.***

*T 5.3.3*

|  |  |  |  |
| --- | --- | --- | --- |
| **Repair and Maintenance Expenditure: Year 0** |  |  |  |
| **R' 000** |  |  |  |
|  | **Original Budget** | **Adjustment Budget** | **Actual** |
| Repairs and Maintenance Expenditure |  |  | 23338224 |
|  |  |  |  |

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Aligned to the priority been given to preserving and maintaining the municipality’s current infrastructure, the 2022/2023 budget and MTREF provide for extensive growth in asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

*T 5.3.4.1*

### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

In 2022/2023, as highlighted above, 91% off all assets of Mkhambathini Municipality are non-current, with all non-current assets falling in the property, plant and equipment category. 21% of total assets are current, and almost 90% of current assets consist of cash or cash equivalents.

*T 5.4.9*

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Municipality has enough capacity to execute all its capital projects and is currently looking for other revenue streams that might fund additional capital project. The municipality have engaged Department of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

The Municipal budget is aligned to the revised IDP. All projects that have been budgeted for are project that were identified during the public participation process and are within the 6th KwaZulu Natal KPA.

Due to limited resources, the municipality ensured that projects and programs were screened to ensure that only projects that are aligned to the national and provincial priorities are considered for budgeting.

*T 5.5.0*

### 5.5 CAPITAL EXPENDITURE



*T 5.5.1*

### 5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING:

The Municipal budget is aligned to the revised IDP. All projects that have been budgeted for are projects that were identified during the public participation process and are within the 6th KwaZulu Natal KPA. Due to limited resources, the municipality ensured that projects and programs were screened to ensure that only projects that are aligned to the national and provincial priorities are considered for budgeting.

*T 5.6.1.1*

### 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

The Municipality has enough capacity to execute all its capital projects and is currently looking for other revenue streams that might fund additional capital project. The municipality have engaged Department of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

*T 5.7.1.1*

### 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Municipality is in continuous engagement with uMgungundlovu District Municipality, Department of Transport, Department of Co-operative Governance and Traditional Affairs and Department of Human Settlements and various other entities into finding ways of addressing our backlogs and challenges that we are facing in ensuring efficient and effective service delivery for all. The Municipality through its ward committee structures has conducted its own research in terms of Electricity Backlogs and the Electricity Master Plan has been developed by the municipality and the document has been communicated with ESKOM and Department of Energy with an aim to haste up the delivery of electricity provision***.***

*T 5.8.1*

COMMENT ON BACKLOGS:

Although the Mkhambathini Local Municipality has made significant progress in addressing service delivery backlogs and promoting development within its area of jurisdiction, there are still several key development challenges that face the municipal area and its people. These are discussed briefly and categorized according to the national key performance areas.

Mkhambathini Municipality is predominantly rural in character and most of the people reside within traditional authority areas, which are characterised by a high level of poverty. People in these areas cannot afford to build and maintain proper houses, due to high level of unemployment.

Although substantial progress has been made to deliver services such as electricity, water and telecommunication infrastructure the level/extent of need is such that provision of these services remains one of the key development challenges facing our local municipality. Many settlements are still without reliable sources of energy and depend on candles, paraffin and firewood for light and power.

*T 5.8.4*

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality has improved its cash flows position by 5% and the entities working capital management has improved in 2022/2023. Cash flows from investing activities also increased by 23% due to the higher investment made during the previous years which was funded through surplus over the years which is evidence in the significant growth in the cash flows from financing activities***.***

### 5.9 CASH FLOW

COMMENT ON CASH FLOW OUTCOMES:

Project Implementation plans encouraged at the beginning of the year to serve as a tool to be used for the planning and monitoring of projects against cash flow projections are being utilized effectively. Interdepartmental co-ordination and co-operation are also encouraged at the planning stage to ensure alignment with planned targets.

*T 5.9.1*

### 5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality is not intending to borrow or planning to borrow in the next five years.

*T 5.10.1*

COMMENT ON BORROWING AND INVESTMENTS:

The municipality is not intending to borrow or planning to borrow in the next five years.

*T 5.10.2*

### 5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality has no private partnerships.

*T 5.11.1*

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Unit falls within the Finance Department. The unit is responsible for ensuring that the goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, through proper implementation of the SCM policy which is reviewed on a regular basis.

The unit responds to the authorized purchase requisitions for other departments within the municipality using the electronic accounting system called Pastel Evolution. The speedy response to the authorized purchase requisitions where possible is always ensured.

The municipality is striving to empower local businesses and cooperatives to improve our Local Economic Development. The suppliers are rotated in terms of the National Treasury regulations to ensure that everyone is getting equal chance however there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

*T 5.12.1*

### 5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice, and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The annual financial statements for the financial year 2022/2023 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted to Auditor-General on the 30 August 2023.

*T 5.13.1*

# CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements, and financial management of all municipalities. MSA section 45 states that the results of performance measurement… must be audited annually by the Auditor-General.

Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter.

**Refer to Annexure D**

*T 6.0.1*

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1

### 6.1 AUDITOR GENERAL REPORTS Year -1 (Previous year)

|  |  |
| --- | --- |
| **Auditor-General Report on Financial Performance: Year -1** | |
| **Audit Report Status\*:** | **Unqualified** |
| *Note: \*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)* | |
|  | *T 6.1.1* |

|  |  |
| --- | --- |
| **Auditor-General Report on Service Delivery Performance: Year -1** | |
| **Audit Report Status:** | **Unqualified** |
| Note: \*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)  *T 6.1.2* | |

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2022/2023

### 6.2 AUDITOR GENERAL REPORT YEAR 2022/2023

|  |  |
| --- | --- |
| **Auditor-General Report on Financial Performance Year 0\*** | |
| **Status of audit report:** | **Unqualified** |
| *Note:\* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the receipt of the Auditor- General Report on Financial Performance Year 0.* | |
|  | T 6.2.1 |

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2022/2023

Refer to Attach report **Annexure D** *T 6.2.2*

COMMENTS ON AUDITOR-GENERAL’S OPINION YEAR 2022/2023:

Refer to Attach report **Annexure D** *T 6.2.3*

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer):

Text, letter

Description automatically generated

T. Gambu.

Dated: 1/12/2022

*T 6.2.5*

# GLOSSARY

|  |  |
| --- | --- |
| **Accessibility indicators** | Explore whether the intended beneficiaries are able to access services or outputs. |
| **Accountability documents** | Documents used by executive authorities to give *“full and regular”* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| **Activities** | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*. |
| **Adequacy indicators** | The quantity of input or output relative to the need or demand. |
| **Annual Report** | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| **Approved Budget** | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| **Baseline** | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| **Basic municipal service** | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| **Budget year** | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| **Cost indicators** | The overall cost or expenditure of producing a specified quantity of outputs. |
| **Distribution indicators** | The distribution of capacity to deliver services. |
| **Financial Statements** | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| **General Key performance indicators** | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| **Impact** | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| **Inputs** | All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings. |
| **Integrated Development Plan (IDP)** | Set out municipal goals and development plans. |
| **National Key performance areas** | * Service delivery & infrastructure * Economic development * Municipal transformation and institutional development * Financial viability and management * Good governance and community participation |
| **Outcomes** | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| **Outputs** | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| **Performance Indicator** | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to  which an output has been achieved (policy developed, presentation delivered, service rendered) |
| **Performance Information** | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| **Performance Standards:** | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| **Performance Targets:** | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time. |
| **Service Delivery Budget Implementation Plan** | Detailed plan approved by the mayor for implementing the municipality’s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| **Vote:** | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.  Section 1 of the MFMA defines a “vote” as:  *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*  *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned* |

# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Councillors, Committees Allocated and Council Attendance** | | | | | | | |
| **Council Members** | **Full Time / Part Time** | **Committees Allocated** | **\*Ward and/ or Party Represented** | **Percentage Council Meetings Attendance** | **Percentage Apologies for non-attendance** | |
|  |
| **FT/PT** | % | % | |
| Cllr NW Ntombela (Mayor) -Chairperson | Full Time | Finance Committee, Community Services Committee, Housing Think Tank | ANC | 100% | % | |
| Cllr NP Maphanga (Deputy Mayor) | Full Time | Housing Think Tank,  LLF | ANC | 100% | % | |
| Cllr TA Gwala (Speaker) | Full Time | Housing Think Tank | ANC | 100% | % | |
| Cllr MN Maphumulo | Part Time | MPAC, Housing Think Tank,  Community Services | ANC | 100% | % | |
| Cllr S Ngidi | Part Time | LLF, Infrastructure, Corporate services | ANC | 100% | % | |
| Cllr M Cele | Part Time | MPAC, Corporate Services , LLF | ANC | 100% | % | |
| Cllr R Mofokeng | Part Time | EXCO | IFP | 100% | % | |
| Cllr MR Shandu | Part Time | MPAC, Corporate Services, Community Services, Housing Think Tank | ANC | 100% | % | |
| Cllr L.Z Lembethe | Part Time | Infrastructure | ANC | 100% | % | |
| Cllr M Lushaba | Part Time | MPAC, Finance Committee | EFF | 100% | % | |
| Cllr M Ngcongo | Part Time | MPAC, community Services | DA | 100% | % | |
| Cllr S Mdladla | Part Time | MPAC, Infrastructure | EFF | 100% | % | |
| Cllr M Mkhize | Part Time | MPAC , Corporate Services | IFP | 100% | % | |
| Cllr ZF Mbambo | Part Time | Finance Committee | EFF | 100% | % | |
| *Note: \* Councillors appointed on a proportional basis do not have wards allocated to them* | | | | | | *T A* | |

Concerning T, A

In terms of Section 152 of the Constitution, the Council has convened to ensure the adoption of the IDP/Budget and Performance Management System Process, the IDP, Budget, Organizational Scorecard, SDBIP, Performance Management related reports and other service delivery related deliberations. It should be noted that 11 meetings were planned for the period under review, 1 Special Council meeting was convened, 7 EXCO meetings and 12 Full Council meetings were held.

*T A.1*

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES



## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

|  |  |
| --- | --- |
| **Third Tier Structure** | |
| **Directorate** | **Director/Manager (State title and name)** |
| Municipal Manager | Mr S Mngwengwe |
| Community Services | Ms NS Mkhize |
| Financial Services | Mr TE Gambu |
| Corporate Services | Ms NP Ngubane |
| Technical Services | Mr SG Mkhize |
|  |  |
| *Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2*  *T C* | |

|  |  |  |
| --- | --- | --- |
| **PORTFOLIO COMMITTEE** | **RESPOINSIBLE OFFICIAL** | **STATUS OF PORTFOLIO** |
| Finance Portfolio | Chief Financial Officer | Functional |
| Community and Corporate Services Portfolio | Director: Community Services and Director: Admin and Corporate Services | Functional |
| Infrastructure Portfolio | Director: Technical Services | Functional |
| Housing | Director: Technical Services | Functional |

There are other sub committees that are operational in the Municipality and those committees and forums are as follows.

• Local Labour Forum.

• Integrated Development Plan Representative Forum.

• Audit and Performance Audit Committee

• Risk Management Committee

• Information, Communication Technology Committee

• Budget Steering Committee

* Budget Steering and Interim Finance Committee

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

|  |  |  |
| --- | --- | --- |
| **Municipal / Entity Functions** | | |
| **MUNICIPAL FUNCTIONS** | **Function Applicable to Municipality (Yes / No)\*** | **Function Applicable to Entity (Yes / No)** |
| **Constitution Schedule 4, Part B functions:** |  |  |
| Air pollution | Yes | No |
| Building regulations | Yes | No |
| Childcare facilities | Yes | No |
| Electricity and gas reticulation | No | No |
| Firefighting services | No | No |
| Local tourism | Yes | No |
| Municipal airports | No | No |
| Municipal planning | No | No |
| Municipal health services | No | No |
| Municipal public transport | No | No |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law |  | No |
| Pontoons, ferries, jetties, piers, and harbours, excluding the regulation of international and national shipping and matters related thereto | No | No |
| Stormwater management systems in built-up areas | Yes | No |
| Trading regulations | Yes | No |
| Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems | No | No |
| Beaches and amusement facilities | No | No |
| Billboards and the display of advertisements in public places | Yes | No |
| Cemeteries, funeral parlours, and crematoria | No | No |
| Cleansing | No | No |
| Control of public nuisances | Yes | No |
| Control of undertakings that sell liquor to the public | Yes | No |
| Facilities for the accommodation, care, and burial of animals | No | No |
| Fencing and fences | Yes | No |
| Licensing of dogs | Yes | No |
| Licensing and control of undertakings that sell food to the public | Yes | No |
| Local amenities | Yes | No |
| Local sport facilities | Yes | No |
| Markets | Yes | No |
| Municipal abattoirs | no | No |
| Municipal parks and recreation | Yes | No |
| Municipal roads | yes | No |
| Noise pollution | Yes | No |
| Pounds | Yes | No |
| Public places | Yes | No |
| Refuse removal, refuse dumps and solid waste disposal | Yes | No |
| Street trading | Yes | No |
| Street lighting | Yes | No |
| Traffic and parking | Yes | No |
| ***\* If municipality: indicate (yes or no); \* If entity: Provide name of entity*** | | *T D* |

## APPENDIX E – WARD REPORTING

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ward Name (Number)** | **Name of Ward Councillor and elected Ward committee members** | **Committee established (Yes / No)** | **Number of monthly Committee meetings held during the year** | **Number of monthly reports submitted to Speakers Office on time** | **Number of quarterly public ward meetings held during year** |
| **Ward 1**  **Cllr. N. Maphumulo** | Siyabonga Bhengu | Yes | 4 | 110 | 3 |
| Nompumelelo Mkhize | Yes |
| Londeka Zulu | Yes |
| Mxolisi Ngubane | Yes |
| Thula Mngadi | Yes |
| Sizakele Ndlovu | Yes |
| Mthobisi Maphumulo | Yes |
| Thulani Gumede | Yes |
| Celimpilo Mthalane |  |
| Msitheli Adrias Mbele |  |
|  |  |  |  |  |  |
| **Ward 2**  **Cllr. S. Ngidi**  Cllr N.P Maphanga  Ward 3 | Londiwe Ndlovu | Yes | 4 | 90 | 5 |
| Nomthandazo Ndlovu | Yes |
| Mthobisi Dube | Yes |
| Nokuthula Nzama | Yes |
| Buyisile Mzila | Yes |
| Londiwe Patricia Ntuli | Yes |
| Makhosazane Gcabashe | Yes |
| Ngubane Londiwe | Yes |
| Bekayiphi Sandile Mdluli | Yes |
|  |  |
| Mthembu Thembekile | Yes |
| Ndlovu Ntokozo | Yes |
| Zulu Gcinumuzi | Yes |
| Mkhize Nhlakanipho | Yes |
| Ngidi Ayanda | Yes |
| Bandezi Nonkanyiso | Yes |
| Mdluli Ntombithini | Yes |
| Gwandela Mnyolisi | Yes |
| Thobile Mkhize | Yes |  |  |  |
|  |  |  |  |  |  |
| **Ward 4**  **Cllr.T.A. Gwala** | Thulani Phakathi | Yes | 4 | 108 | 6 |
| Thandeka Sibiya | Yes |
| Pinky Dlamini | Yes |
| Nhlanhla Shange | Yes |
| Welile Ndunge | Yes |
| Martin Zondi | Yes |
| Thulasizwe Hlongwa | Yes |
| Sibongile Doris Mkhize | Yes |
| Sindisiwe Gwala | Yes |
|  |  |  |  |  |  |
| **Ward 5**  **Cllr. N.W Ntombela** | Sanele Gumede | Yes | 4 | 126 | 9 |
| Nhlanhla Zimu | Yes |
| Thokozani Madlala | Yes |
| Sihle Dube | Yes |
| Thamsanqa Dlamini | Yes |
| Fikakubuswa Hlongwane | Yes |
| Balungile Jeza | Yes |
| Thobile Magoso | Yes |
|  |  |  |  |  |  |
| **Ward 6**  **Cllr. M.Cele** | Busi Dlamini | Yes | 4 | 112 | 3 |
| Lungisani Ngcongo | Yes |
| Mbali Ngcongo | Yes |
| Sibiya Bazamile | Yes |
| Nkanyiso Shange | Yes |
| Ncamile Dlamini | Yes |
| Nonhlanhla Shezi | Yes |
| Lindiwe Lembethe | Yes |
| Msizi Mthobisi Majola | Yes |
|  |  |  |  |  |  |
|  | Mandlakayisa Mthembu | Yes |  |  |  |
| **Ward 7**  **Cllr.M.Shandu** | Lendi Mkhize | Yes | 4 | 124 | 10 |
| Phindeleni Shandu | Yes |
| Zanele Nene | Yes |
| Mfanafuthi Mabhida | Yes |
| Kwenzakwakhe Shange | Yes |
| Mbali Dlamini | Yes |
| Mbuyiselwa Mbonambi | Yes |
| Nqoko Gumede | Yes |
| Thamsanqa Shezi | Yes |
| Vumile Magubane | Yes |
|  |  |  |  |  | *T E* |

## APPENDIX F – WARD INFORMATION

|  |  |
| --- | --- |
| **Top Four Service Delivery Priorities for Ward (Highest Priority First)** | |
| **No.** | **Priority Name and Detail** |
| 1 | Water |
| 2 | Electricity |
| 3 | Roads |
| 4 | Housing |

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

|  |  |  |
| --- | --- | --- |
| **Municipal Audit Committee Recommendations** | | |
| **Date of Committee** | **Committee recommendations during Year 0** | **Recommendations adopted (enter Yes) If not adopted (provide explanation)** |
| 17/08/2022 | The Audit Committee notes the Performance Management System Quarter 3 | Yes |
| 28/08/2022 | The Audit committee recommended that the APR be submitted to the council and AG subject to changes highlighted | Yes |
| 12/12/2023 | The Audit Committee notes the Performance Management System Quarter 1 | Yes |
| 31/03/2023 | The Audit Committee notes the Performance Management System Quarter 2 | Yes |
|  | | T G |

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Long Term Contracts (20 Largest Contracts Entered into during Year 0)** | | | | | |
| **R' 000** | | | | | |
| **Name of Service Provider (Entity or Municipal Department)** | **Description of Services Rendered by the Service Provider** | **Start Date of Contract** | **Expiry date of Contract** | **Project manager** | **Contract Value** |
| First Rand Bank Limite | Provision Of Banking Services for Financial Year 2018/19 To 2023/2024 | 06-Aug-19 | 06-Aug-24 | Mr. M. Dlamini | Service Fees |
| oGatsheni Entertainment | Panel of events management for a period of 36 months. | 22 March 2023 | 22 March 2026 | Mr. M. Dlamini | *Admin Fees* |
| Genix Group | Valuation roll | 02 June 2023 | 02 June 2028 | Mr. M. Dlamini | *R 1 260 200.19* |
| Pace online | Design, hostingand maintenance of municipal website for a period of 36 months | 19 January 2023 | 19 January 2026 | Mr. M. Dlamini | *R 176 127.20* |
|  |  |  |  |  | *T H.1* |

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Municipal Entity/Service Provider Performance Schedule** | |  |  |  |  |
| **Name of Entity & Purpose** | **(a) Service Indicators** | **Year 0** |  | **Year 1** |  |
|  | **(b) Service Targets** | **Target** | **Actual** | **Target** |  |
|  |  | **\*Previous Year** |  | **\*Previous Year** | **\*Current Year** |
| **(i)** | **(ii)** | **(iii)** | **(iv)** | **(v)** | **(vi)** |
| First Rand Bank Limited | Provision Of Banking Services for Financial Year 2018/19 To 2023/2024 | 100% | 100% | 100% | 100% |
| oGatsheni Entertainment | Panel of events management for a period of 36 months. | 100% | 100% | 100% | 100% |
| Genix Group | Valuation roll | 100% | 100% | 100% | 100% |
| Pace online | Design, hostingand maintenance of municipal website for a period of 36 months | 100% | 100% | 100% | 100% |
|  |  |  |  |  |  |
| *Note: This statement should include no more than the top four priority indicators. \* 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; \*'Current Year' refers to the targets set in the Year 0 Budget/IDP round. \*'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.* | | | | | |

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

|  |  |  |
| --- | --- | --- |
| **Disclosures of Financial Interests** | | |
| **Period 1 July to 30 June of Year 0 (Current Year)** | | |
| **Position** | **Name** | **Description of Financial interests\* (Nil / Or details)** |
| **(Executive) Mayor** | NW Ntombela | Nil |
| **Member of MayCo / Exco** | N Maphanga | Nil |
|  | TA Gwala | Nil |
|  | KR Mofokeng | Nil |
| Councillor | N Maphumulo | Nil |
|  | S Ngidi | Nil |
|  | PN Maphanga | Nil |
|  | MR Shandu | Nil |
|  | M Cele | Nil |
|  | M Ngcongo | Nil |
|  | L Lembethe | Nil |
|  | M Lushaba | Nil |
|  | M Mkhize | Nil |
|  | S Madladla | Nil |
|  | ZF Mbambo | Nil |
| **Municipal Manager** | Mr S Mngwengwe | Nil |
| **Chief Financial Officer** | Mr TE Gambu | Nil |
| **Deputy MM and (Executive) Directors** |  |  |
| **Technical** | Mr SG Mkhize | Nil |
| **Corporate** | Mr N.P Ngubane | Nil |
| **Community** | Ms NS Mkhize | Nil |
| *\* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J* | | |

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenue Collection Performance by Source** | | | | | | |
| **R '000** | | | | | | |
| **Description** | **Year -1** | **Year 0** |  |  | **Year 0 Variance** | |
|  | **Actual** | **Original Budget** | **Adjustments Budget** | **Actual** | **Original Budget** | **Adjustments Budget** |
| Property rates | 21 849 | 19 782 | 19 782 | 23937227 | 23937227 | 23937227 |
| Property rates - penalties & collection charges |  |  |  |  |  |  |
| Service Charges - electricity revenue |  |  |  |  |  |  |
| Service Charges - water revenue |  |  |  |  |  |  |
| Service Charges - sanitation revenue |  |  |  |  |  |  |
| Service Charges - refuse revenue | 574 | 574 | 574 | 5960686 | 0 | 0 |
| **Total Revenue (excluding capital transfers and contributions)** | **22 378** | **20 356** | **20 356** | **29897913** | **0,00%** | **0,00%** |
| *Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.* | | | | | | *T K.2* |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Conditional Grants: excluding MIG** | | | | | | |
| **R' 000** | | | | | | |
| **Details** | **Budget** | **Adjustments  Budget** | **Actual** | **Variance** | | **Major conditions applied by donor (continue below if necessary)** |
| **Budget** | **Adjustments   Budget** |
| ***Other Specify:*** |  |  |  |  |  |  |
| Financial Management Grant | 3000000 | 3000000 | 3000000 |  |  |  |
| EPWP | 1671000 | 1671000 | 1671000 |  |  |  |
| Library Grant | 2004000 | 2004000 | 2004000 |  |  |  |
| **Total** |  |  |  |  |  |  |
| *\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*  *T L* | | | | | | |

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The above conditional grants excluding MIG is received by the municipality.

*T L.1*

## APPENDIX M – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

|  |  |  |
| --- | --- | --- |
| **Capital Programme by Project by Ward: Year 0** | | |
| **R' 000** | | |
| **Capital Project** | **Ward(s) affected** | **Works completed  (Yes/No)** |
| Electricity | Ward 2 | Yes |
| Refuse removal | Ward 3,4,5 | Yes |
| Economic development | Ward 1,2,3,4,5,6,7 | Yes |
| Sports, Arts & Culture | Ward 1,2,3,4,5,6,7 | Yes |
| *T M* | | |

## APPENDIX N – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

|  |
| --- |
| The municipality does not have any loans or grants.  TN |

## APPENDIX P – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

|  |  |  |
| --- | --- | --- |
| **National and Provincial Outcomes for Local Government** | | |
| **Outcome/Output** | **Progress to date** | **Number or Percentage Achieved** |
| Output: Improving access to basic services | To ensure the provision, upgrade and construction of infrastructure and services that enhance socio economic development within the municipality | 100% |
| Output: Implementation of the Community Work Programme | To promote the rights of designated groups | 80% |
| Output: Deepen democracy through a refined Ward Committee model | To ensure continuous engagement with ward constituencies | 80% |
| Output: Administrative and financial capability | Monitor financial ratios to ensure financial stability | 100% |
| *\* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.* | | |
| *T P* | | |

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

|  |
| --- |
| Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.  Refer to Annexure A |